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Vol 13 1991 No 1-4

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CONTEMPORARY SOUTHEAST ASIA

A QUARTERLY JOURNAL OF INTERNATIONAL AND STRATEGIC AFFAIRS

SPECIAL FOCUS

STRATEGIC DEVELOPMENTS IN THE ASIA-PACIFIC

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Guest Editors
Derek da Cunha
Nazir A. Kamal

Volume 13, Number 1 June 1991

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Introduction

This special focus issue is devoted to various political and military developments in the Asia–Pacific which are of strategic significance for the security and stability of the region. Several of the articles appearing in this issue are products of the research project on "Major Asian Powers and the Security of Southeast Asia" under the Regional Strategic Studies Programme (RSSP) of the Institute of Southeast Asian Studies. The project was launched in 1989 and some of its earlier results have appeared in a previous issue of this journal (Vol. 12, No. 3, December 1990). This project seeks to promote a better understanding of the changes in regional and global power structures and the resulting shifts in strategic relationships. Of particular interest is the emerging role of China, India and Japan — the three Asian giants. This special focus issue also includes three articles which have been written by scholars from South Asia who were Research Fellows at the Institute under the South Asian-Southeast Asian Fellowships programme. Two of these articles are concerned with the growth of the Indian navy and its implications for Southeast Asia, while the third deals with the course of bilateral relations between India and China, the two largest Asian states.

The project on "Major Asian Powers and the Security of Southeast Asia" has benefited greatly from a grant from the John D. and Catherine T. MacArthur Foundation, while the work of the three South Asian scholars was supported by a grant from the Ford Foundation. The Institute would like to thank both the MacArthur Foundation and the Ford Foundation for their valuable and timely assistance. However, the views expressed in this special focus issue remain the responsibility of the authors and do not necessarily reflect those of the Institute or the funding agencies.

The Editors

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Contemporary Southeast Asia, Volume 13, Number 1, June 1991

Changing Global Trends and Their Effects on the Asia–Pacific

CHIN KIN WAH

This article broadly surveys the thawing of the various cold war relationships since 1989 and seeks to account for the trends underlining these international changes. The effects of various developments, such as the change in superpower relations and the emergence of multipolarity, the shifts from geopolitics to geoeconomics, the decline of ideological affiliations, the democratization tendencies, and the persistence of regional disorder are discussed in turn. The impact and implications of such international changes upon the security environment of the Asia–Pacific, including ASEAN, are finally highlighted.

At no time since the end of World War II has international change been as rapid and momentous as that which has taken place over the past two years. As an American official put it towards the end of 1989, "the prime reality of contemporary global politics is change, in many areas and many dimensions".[1] By far the most significant developments have occurred in the European sector of the international system. Although certain trends have been evident for some time, the speed with which they culminated served to underscore their psychological and dramatic impact. The fall of hardline communist regimes in Eastern Europe (marked most dramatically by the overthrow in December 1989 of the Ceausescu regime in Romania after twenty-four years of absolute rule);[2] the snowballing effect of economic and political reforms in the Soviet Union; and the drift towards the fragmentation of the Soviet Union itself — marked by the upsurge of ethnic unrest and resurgent secessionist tendencies among the Soviet republics — are all symptoms of a deep crisis within the international

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communist order and within communism itself as a political, economic and international ideology.

These developments were overshadowed elsewhere by the rush towards German reunification — a process that was completed, constitutionally, by October 1990, that is, within less than a year of the breaching of the Berlin wall which, for nearly thirty years, had physically marked the cold war front in Central Europe.

In the Asia–Pacific sector, many of the old contentious relationships have also been affected by the general global warming up. The visit by China's Prime Minister Li Peng to Moscow in April 1990 was the first by a Chinese head of government for almost thirty years, and was a follow-up to the Sino–Soviet summit when President Gorbachev visited Beijing in May 1989 — an event which signalled the full normalization of relations between the two communist powers.[3] The Chinese Communist Party chief Jiang Zemin is expected to visit Moscow in May 1991, making it the first such visit by a Party chief since Mao Zedong's trip in 1957.

The steady two-year thaw in Sino–Vietnamese relations was carried further by Vietnam's Deputy Prime Minister, Vo Nguyen Giap's visit to Beijing in September 1990 — Giap being the most senior Vietnamese leader to have visited China in more than ten years. Earlier in the month, Vietnam's Communist Party chief, Nguyen Van Linh, accompanied by Prime Minister Do Muoi, had made an unpublicized visit to China. The third high-level Sino–Vietnamese contact occurred in December 1990 when a Vietnamese delegation led by Vu Oanh, Secretary of the Communist Party's Central Committee visited Beijing in a continuing effort to normalize relations.[4]

Across the Taiwan straits, cultural and commercial exchanges continue to intensify — adding to speculation on the prospect of reunification. In December 1990, Taiwan's President Lee Teng-hui announced the intention to terminate the forty-year state of war with China before May 1991.[5] Across the Korean divide, political contacts were marked by two rounds of prime ministerial dialogues in 1990. These were the first formal high-level contacts to have taken place in forty-five years, although their significance may have been more symbolic than substantive. These Korean developments have come in the wake of the Soviet announcement in September 1990 that it was proceeding towards establishing diplomatic relations with South Korea. Earlier in June, South Korean President Roh Tae Woo had had an unprecedented meeting with Soviet leader Gorbachev on American soil, thus signalling the end of one cold war contest between the superpowers over the Korean peninsula itself. Reacting to the trends towards peace and the warming of Seoul–Moscow ties, North Korea in turn agreed in September 1990 to open governmental contacts with Japan

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with a view to improving bilateral relations. However, a major obstacle in the Asia–Pacific peace process is the vexatious Soviet–Japanese territorial dispute over the four Soviet-occupied islands in the Kuriles — an issue which remains unresolved despite protracted discussions during Gorbachev's visit to Japan in April 1991.

In September 1990, the United States also moved towards improving relations with China, after the set-back caused by the Tiananmen incident of the previous year. At the same time, the highest-level contact in fifteen years between the United States and Vietnam occurred when Secretary of State James Baker met with his Vietnamese counterpart at the United Nations — an event which led to the latter's visit to Washington for talks with President Bush's special emissary to Hanoi.[6] These developments had come within three months of the American decision announced in advance of the ASEAN Foreign Ministers' Meeting in July 1990 to cease recognizing the tripartite anti-Vietnamese Cambodian coalition and to open a dialogue with Vietnam.[7] The normalization of relations with Vietnam itself is now a real possibility, although publicly the United States continues to state that this would depend upon Hanoi's help in reaching a peace settlement over Cambodia.

In Southeast Asia, the twelve-year diplomatic imbroglio over the Cambodian problem is showing signs of a more positive movement, at least in its external dimensions after the agreement in August 1990 among the permanent members of the U.N. Security Council on a comprehensive peace plan, which subsequently received endorsement by the General Assembly. The sticking point is Cambodia's factional discord which continues to frustrate the emergence of a Supreme National Council that would serve as the interim repository of Cambodian sovereignty, pending the outcome of elections to be held under U.N. auspices.

In non-communist Southeast Asia, the "normalization process" with external powers moved forward with the re-establishment of diplomatic relations, after a twenty-three-year lapse, between Jakarta and Beijing on 8 August 1990. Almost a year before that, President Soeharto had had a historic summit meeting in Moscow with President Gorbachev. It was the first time in twenty-five years that such a high level meeting had taken place between the two countries.[8] Singapore followed with the establishment of formal ties with Beijing on 3 October. While this was in effect a formalization of what had been to all practical purposes, a normal relationship with China, the warming of Singapore's relations with the Soviet Union marked a more conscious attempt to adjust to the changing strategic landscape, considering that Singapore had publicly been much more concerned with the Soviet threat in the region. In February 1990,

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Nikolai Ryzkhov became the first Soviet Prime Minister to visit Singapore. Seven months later the then Singapore Prime Minister Lee Kuan Yew reciprocated with a visit — his first to the Soviet Union in ten years.

A counterpoint to the trend towards peaceful relations was the latest round of regional conflict in the Gulf, triggered by Iraq's invasion and occupation of Kuwait in August 1990. However, the "epidemic" of peace seems to have become more pervasive than the incidence of armed conflict between states at the present time. Nevertheless, it is worthwhile to identify the trends behind these developments (or what these developments signify in terms of international change) in order to determine how persistent these trends are likely to be, and secondly, their likely effects on the Asia–Pacific environment as a whole. It should be pointed out that some of these trends are themselves the consequences or manifestations of other trends. The discussion that follows also recognizes the complex linkages between parallel trends and the spillover effects of effects, as it were, although the broad trends are dealt with separately for reasons of complexity.

The End of the Cold War

The end of superpower contention and global ideological competition has had far-reaching consequences for the contemporary international order and on the structure of international relations. Commenting on the end of the cold war, Samuel Huntington observed that "1990 joined 1815, 1895 and 1945 as a symbolic year of change in the international system and the American role in it".[9] The once familiar reference points which gave important bearings to other power relationships and alignments have become less relevant or altogether irrelevant. The extent of the transition from superpower conflict to *détente*, and subsequently to *entente*, is most clearly reflected in Gorbachev's comments (during U.S. Defence Secretary Richard Cheney's visit to the Kremlin in October 1990) that it was amazing that the two superpowers had made meetings on defence matters a routine affair.[10] Cheney himself commented while in Moscow that although he had begun as a sceptic, events of the past eighteen months had persuaded him that U.S.–Soviet relations had indeed entered a new era.[11]

Indeed, the earlier mini-summit meeting between Bush and Gorbachev convened at Helsinki to deal with the Gulf situation, pointed to a new quality of superpower relations in regional crisis situations. And as the Gulf crisis unfolded, the Soviet Union continued to support the U.N. Security Council Resolutions which provided the legitimate cover for American action against Iraq — an erstwhile Soviet ally.

Central to this transformed superpower relationship is the altered

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American perception of the Soviet Union as a less threatening, or even benign power. The immediate impact of this perception of a dissipating Soviet threat is most strongly felt in Europe — the original geographical source of the cold war — where alliance relationships are being radically redefined.[12] The dissolution of cold war alliances is most pronounced in Eastern Europe where the disappearance of the Soviet Union's hegemonic power has led to the collapse of the Soviet empire and a drastic erosion of the rationale behind the Warsaw Pact.[13] Even NATO (North Atlantic Treaty Organization), in view of the need to accommodate a unified Germany in the vastly improved external strategic environment, is having to redefine its rationale which can no longer hinge on the traditional threat from the east.

The dissipation of the cold war, however, has had different effects in various regions. In the Asia–Pacific, the cold war became hot at one time and the conflicts that ensued in its aftermath are becoming more regionalized in the current context of external disengagement. This will leave the Chinese, Koreans and Cambodians to deal directly with one another and increasingly on their own terms. This does not necessarily make political solutions easier among local regimes that are essentially different from those in Western or Eastern Europe. The vastly different political cultures add to the complexity of the reunification processes in Northern Asia, which may be more problematic and protracted. The case of Germany may not be applicable to Northeast Asia.

If the process of the termination of the cold war is slower in the Asia–Pacific, this is partly because the region has had two overlapping cold wars — an East-East cold war (namely, between the Asian communist powers) and the East-West cold war. Indeed, the former emerged in the late 1970s even as the latter was changing into *détente*. Hence, despite the improvement in superpower relations, it was not until China and Vietnam began to come to terms with each other that the lingering obstacle in the way of an external settlement of the Cambodian problem could be removed. Nevertheless, if a comprehensive settlement proves difficult to enforce and internal conciliation remains elusive, the de-internationalization of the Cambodia conflict may not necessarily mean the end of conflict — it may merely see the conflict transformed into a civil war.

The passing of the cold war could well generate two kinds of tensions among the lesser and middle powers of the region. On the one hand, it is no longer a viable foreign policy option to play off one superpower against the other. On the other, if in the long run superpower *entente* translates into a condominium, this may even be detrimental to the interests of middle powers with aspirations of their own.

For some regional states such as Japan, the diminution of the Soviet

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threat, coupled with the thinning-out of America's forward deployments, may have created two different types of pressure on regional defence planning and outlay. On the one hand, there is a need to define new rationales for continuing with high levels of defence spending. On the other, there is pressure for greater burden sharing with the United States. In a way, Japan's Defence White Paper of 1990 attempts to address both pressures — it no longer describes the Soviet military force in the Far East as a latent threat, but it also acknowledges the need to ensure that Japan does not find itself in a power vacuum and become a source of instability to the region.[14] These reactions are a reflection of the shifts in the balance of power and the emergence of new power centres in the international system.

Shifts in the Order of Power

Underlying the passing of the cold war is a discernable shift in the balance of power which has contributed to the erosion of bipolarity.[15] We may be too hasty in declaring the demise of the Soviet Union as a superpower, for if we were to simply to look at national power expressed in terms of nuclear capabilities, the Soviet Union is still the only power that can militarily devastate the United States. What is equally clear, however, is a vanishing overall capability and Soviet will to enforce its own conception of international order in competition with the United States. At the core of this declining capability is the deep economic malaise and the failure of the communist system to meet rising political and economic aspirations. This has forced a reordering of national and foreign policy priorities at a time when an innovative leader is able to make a virtue (in the form of a peace offensive) out of dire necessity.

It could be claimed with some exaggeration that at the "end of history"[16] the world is finally left with one superpower. However, the United States is no longer the economic hegemon it once was, with the capability and confidence to restructure an international economic order after its own design. Indeed, the United States is still overburdened by its budget and trade deficits. Nuclear power itself is no longer fungible politically in a post-cold war era, while economic constraints (and domestic questioning about overseas embroilment) have undermined a previous willingness to unilaterally uphold regional and world order.[17] Nevertheless, the 1991 Gulf War did show that the use of overwhelming and concentrated conventional "high-tech" power was a crucial determinant in dealing with a certain regional crisis. But the political context within which the American role was exercised also highlighted the importance of broad international consensus and burden-sharing (financial, political, and to a lesser extent,

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military). In the Asia–Pacific, the major focus of burden-sharing is Japan, although as demonstrated by Japanese reactions to the Gulf War, its attempts to define a role beyond that of an economic power continued to be hampered by domestic ambivalence, ambiguity and immobilism.

Along with the decline of bipolarity is the emergence of new power-centres in Asia and Europe. In the Asia–Pacific, Japan is already an economic superpower by any measurement (gross national product, level of technology, foreign trade, international financial power, innovation in research and technology, and quality of human resources and organization). These are also assets and attributes which can readily be converted to military power. As Lee Kuan Yew put it during a visit to Europe in 1990, the possibility of Japan as an independent military power at the turn of the twentieth century is a horrendous one, such a possibility being real given the Japanese propensity to be "Number One" in whatever they seek to accomplish.[18] So far Japan continues to move with caution and ambiguity towards defining a regional security role (preferring to rely excessively on financial diplomacy in fulfilment of an economic security role) despite increasing pressures to shoulder a greater burden.[19] This is a reflection of the continuing lack of national consensus as well as regional reservations (most loudly articulated by Japan's Northeast Asian neighbours). Most recently, this was evidenced by the domestic public furore over the issue of despatching Japanese military personnel to the Gulf during the 1990–91 crisis. Yet, Japan has been taking incremental steps to expand and improve its self-defence forces which will have a bearing on the regional balance of power should future strains in the U.S.-Japanese security relationship result in a more independent and assertive Japan. Such a development would have very disturbing implications for China and a future reunified Korea.

China is the one major power in the Asia–Pacific to have left the longest historical imprint on the security equation of the region, which, of course, includes Southeast Asia. Whether an economically weak, unstable and factionalized China, or a modernized, economically strong, politically cohesive and assertive China, its impact on the security concerns of others in the region is inescapable. Currently, China's domestic economic preoccupations point to a renewed stake in peace and a stable regional environment, which has led it to mend fences with Vietnam. Interestingly, the Chinese Prime Miniser Li Peng has found it necessary to reassure that this would not work against ASEAN's interest. China also made the final efforts necessary to normalize relations with Indonesia. These developments create a certain expectation that China is preparing itself to play a more stabilizing role in the management of regional conflict. Yet, China is also proceeding with the modernization of its conventional

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military force and will in time be able to project its naval power into the Southeast Asian part of the Asia–Pacific. While its historical reliance on support for local insurgencies as a means to project its political influence may fade away, China is acquiring a wider and more effective range of conventional capabilities which would enable it to advance and protect its interests in the region even more effectively.

Over the horizon we can expect India to play a role too, as a major Asian power in its own right. Although for the moment its security role is most clearly focused on the South Asian subcontinent, its future naval reach and the modernization of its force structure may well reflect an interest that goes beyond the Indian Ocean. Within Southeast Asia, Vietnam and Indonesia can be regarded as local powers of major importance. Their roles in the management of regional security relationships with China will have important consequences for others in the region.[20] Further beyond the Asia–Pacific, a new power-centre is emerging in a unified Western Europe which incorporates a reunified Germany that is likely to be inwardly preoccupied in the near future. Nevertheless, even an inward-looking Germany, or a wider "Eurocentricism", will generate effects that cannot be overlooked in the Asia–Pacific.

Looking at the shifting balance of power, one could speculate that with the end of the cold war, the waning of bipolarity and the scaling down of Soviet and American forces, the security balance in the Asia–Pacific will become multipolar, and thus make the interactive process more complex. The end of the cold war may have brought "peace", but it may also unleash new competitive forces on the economic plane that could result in new sources of international instability.

Shifts from Geopolitics to Geoeconomics?

Three European trends, namely, the "freeing" of Eastern Europe, the reunification of Germany and the European Community becoming a single European market by 1992, are well entrenched. However, the effects of these developments on the Asia–Pacific are not altogether clear. At one level, there is concern that Western Europe is likely to divert much of its investments to Eastern Europe and, given that the total amount that the West can invest is finite, the flow of funds to one region will mean less for another.[21]

At another level, there is concern that these Euro-centric developments might add to the shaping of an economically trilateral world in which economic competition (or "geoeconomics") among the European

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Community, the United States, and an economically resurgent Japan will be the main theme that would displace cold war issues from the centre stage. In this new "geoeconomics", the competition for influence through capital flows rather than troop deployments will be the order of the day.[22] Already, at their 1989 meeting in Malaysia, the Commonwealth Heads of Government had warned of the possible dangers of growing regionalism of trade through the creation of new trading blocs.[23]

This theme was amplified by the then Singapore Prime Minister, Lee Kuan Yew, at the opening of the Asia–Pacific Economic Cooperation (APEC) group meeting in July 1990, when he spoke of the world becoming divided into three separate trading blocs, dominated respectively by the dollar, the yen, and the deutschmark. As he saw it, a *de facto* emergence of such blocs would mean a world fraught with conflicts: "Asians will feel that they have been quarantined into the Japanese Yen bloc so that they can be excluded from the markets of prosperous Europeans and Americans, that the Whites have changed the rules just as Asians have learnt to compete and win under those rules".[24] In Lee Kuan Yew's opinion, such an economic division of the world on racial lines would create bitterness and animosity, adding to the normal conflicts of interest between states. Behind such a warning lies a hope that through the APEC co-operative process (which includes the United States and Canada, though not the EC) and other multilateral processes, such as the Uruguay Round of multilateral trade negotiations within the General Agreement on Tariffs and Trade (GATT), such conflicts may be moderated if not averted.

After the failure of the latest Uruguay Round of multilateral trade talks in December 1990, Malaysia's Prime Minister Mahathir Mohamad proposed an East Asian Economic Grouping (EAEG) to promote co-ordination of regional policies towards the Uruguay Round and foster trade liberalization and economic co-operation within the region. As envisaged, the group would initially comprise the ASEAN countries, and eventually, it would be extended to China, Japan, South Korea, Taiwan, Hong Kong and the Indochinese countries. The proposal reflects an underlying concern about the economic union between the United States and Canada and the forthcoming single market in Europe which could turn into trading blocs. The United States has so far opposed the idea, given its exclusion from the EAEG, while Japan and Indonesia continue to have reservations about the proposal. Singapore gave support to the idea during Prime Minister Goh Chok Tong's visit to Kuala Lumpur in January 1991 but it has also highlighted the three underlying conditions of the proposal — namely, that it should be GATT-consistent, complementary to APEC, and not diminish ASEAN.[25]

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Decline of Ideological Concerns and the New Realism

The decline of ideological concerns in domestic, but more importantly, foreign policy formulation, is an inevitable consequence of the end of the cold war (it can also be seen as its cause). In practical terms, a new realism based on profitability rather than ideological affinities now determines economic transactions between states across the old cold war divide. The growing contacts and transactions between Eastern European states and South Korea are a reflection of this trend, which is cold comfort, as it were, for North Korea. Even the largesse from former fraternal countries can no longer be taken for granted by North Korea. The collapse of European communism and the withering away of COMECON (Council for Mutual Economic Assistance) have led East European countries to reconsider their aid to Vietnam and Cambodia. One Hungarian diplomat in Hanoi reportedly said: "We want a relationship with Vietnam similar to that of any other Western European country, based on clear mutual and commercial interests".[26] The concern of the Indochinese states must be that they are being considerably downgraded in the order of priorities of Moscow and other East European states. According to a Soviet diplomat in Hanoi, in January 1991, the Soviet Union entered into new agreements with Vietnam which sharply reduced Soviet aid and placed trade relations with Vietnam on the basis of hard currency payments at world market prices. The two countries are also expected to recalculate all payments in hard currency and reach agreement on debt servicing by Vietnam.[27]

The emerging new realism could mean the erosion of a U.S. *noblesse oblige* which could in turn see the United States becoming tougher and more demanding on its allies — principally the Japanese — with regard to the Asia–Pacific on trade and other "rice-bowl" issues. Indeed, if the Asia–Pacific no longer needs to be underpinned economically as a strategic bulwark against Soviet expansionism, then the United States might perhaps consider it necessary to take a tougher stance to deal with the economic challenge from Japan or other East Asian NIEs (newly industrializing economies), in order to defend its own national interest.[28]

The Trend towards Democratization and Economic Liberalization

The democratization process within the Soviet Union, but more importantly, within Eastern Europe has had its effects on other communist and non-communist countries. In the Asia–Pacific, communist regimes in China, Vietnam and even Outer Mongolia have had to cope with or react to the rising demands for economic liberalization, political participation

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and *glasnost*. Although there is no indication yet of domestic unrest in North Korea, in response to changes in Eastern Europe, Pyongyang has found itself increasingly isolated, as its one-time East European allies hasten to develop ties with Seoul.[29] China will find it particularly hard to forget that the early stirring of the 1989 Tiananmen incident coincided with Gorbachev's visit to Beijing, although as the crisis unfolded, the pro-Democracy Movement turned to American democratic values and political symbolism. Transnational influences from the United States and Hong Kong, facilitated by the new communications and information technology, fuelled the movement subsequently — leading to a temporary closing up of China to the outside world.

In contrast to the East European regimes, the hardline regimes stretching from China, North Korea, and Vietnam, to non-communist Myanmar (Burma), are reacting with a general hardening of political posture, while some like China and Vietnam are publicly maintaining at the same time a commitment to economic reform. Both China and Vietnam have also sought to differentiate their political conditions and even ideological purity from the current Soviet or East European conditions.[30] In the long run, however, it may well be that Asian communist political systems will also have to adapt and evolve, though perhaps not into the Western democratic variety which may not be suited to their political cultures and political styles.

Even the non-communist regimes of Southeast Asia may have felt the pressure for political openness and participation, although many have made adjustments (even before the East European phenomenon) to pre-empt such pressures from arising at the grassroots level. If they need no conversion to the virtues of the free-market economy, they are at least confirmed in the wisdom of economic growth led by the private sector.

Expectations of the "Peace Dividend"

With the end of the East–West confrontation and the general expectation of a peace that will persist, there is widespread belief that the opportunity for converting "swords into ploughshares" has never been better. Between the superpowers and certainly in Europe, very substantial military force reductions are being negotiated or unilaterally decided upon. In its first public disclosure of foreign troop strength, the Soviet Union indicated at the end of 1989 that it had 627,000 military personnel stationed abroad and wanted to bring them all home by the year 2000.[31] Other Soviet official sources have suggested that Soviet military spending in 1990 could be reduced by 8.2 per cent.[32] In the Asia–Pacific, the Soviets have indicated to the Americans that all Soviet forces would be withdrawn from Vietnam

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by 1992 — a development that is no longer tied to American withdrawal from the Philippines.[33]

In a draft blueprint for U.S. military strategy in the 1990s, presented to President George Bush in June 1990, the Pentagon envisaged a reduction of U.S. armed forces by 500,000 troops, as well as the reduction of overseas deployments and the establishment of a new organizational framework for the military — all to be achieved by the mid-1990s.[34] In September 1990 U.S. Defence Secretary Richard Cheney announced the planned closure or scaling down of 150 bases in ten countries for 1991.[35] Of significance to the Asia–Pacific is the Bush Administration's announcement in April 1990 of plans to withdraw up to 15,000 troops from Asia within three years, with more reductions to follow.[36]

For the regional states, such as Japan and South Korea, the "peace dividend" may not be so "cashable" as these countries assume greater responsibility for their own defence. Soviet force reductions may not be very reassuring (in the absence of regional confidence-building mechanisms) if they are followed by force modernization that produces a leaner but meaner fighting machine in the Far East.[37] Moreover, considering that the local sources of instability are not so directly related to the cold war, other regional states in the Asia–Pacific (from the rich mini-states like Brunei to impoverished sprawling states like the Philippines) will find that they will need to spend far more resources on force upgrading and expansion to enable them to play more effective and meaningful national security roles when the reassuring U.S. presence is no longer to be taken for granted. The danger here is that for states that cannot afford it, economic development may well take second place to defence spending.

In a quite different context, however, it could be said that the "peace dividend" in Cambodia is already being cashed (prematurely, as some would argue) by those who have been quick to turn Indochina from a battleground to a market place. In this respect at least, a durable settlement of the Cambodia problem will facilitate other economic linkages between what has previously been a divided Southeast Asia.

Persistence of Regional Disorder

As the Gulf War has so recently demonstrated, the end of the cold war does not spell the end of regional crises. Within the Asia–Pacific itself, the sources of regional disorder are likely to persist — the most volatile area being the Korean peninsula where half a million armed men stand in confrontation on either side of the North–South divide. The powerful lure of territoriality has led to armed clashes over the Spratlys further south in Southeast Asia, and more recently to a much heated display of

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national fervour (involving, this time, China-Taiwan and Japan) over the disputed Diaoyutai islands in October 1990.[38] It may be argued that the end of the cold war and the dissolution of the "Pax Sovietica" could open the way to greater disorder as the passions of nationalism, demands of territoriality, ethnic resurgence and religious assertiveness gain new force. The easy access to sophisticated technology and the availability of increasingly accurate and destructive weapons will make such feuds and regional conflicts even more dangerous in the future.

In another way, the recent Gulf conflict is also a stark lesson for the small states of the international system regarding the importance of having a credible national defence capability and the need for other countervailing powers to augment it. The manner in which Iraq was finally evicted from Kuwait could well point to the usefulness of U.N. collective action in some instances of external aggression in a post-cold war era — despite the fact that such united action has been tied to a preponderant American military role.

Conclusion: Some Implications of the Effects

1. In the bipolar world, despite the competitive relationship, both the superpowers did share a stake in managing the international order through their respective alliance frameworks. The end of bipolarity can unleash other destabilizing forces that can no longer be managed, as in the past. Thus, how will the rest of the world cope with the great instability in Eastern Europe, the break-up of the Soviet Union, or the possible political demise of Gorbachev? What new structures will provide for order in the future when the demand for justice becomes paramount?

2. It is noteworthy that while some ASEAN governments may not wish to be too open in expressing their interest in a continuing American presence in the region, none has really indicated a wish to see a withdrawal of that presence. Indeed, all are apprehensive of a unilateral and precipitate thinning-out of American military presence in the region. In an increasingly uncertain world, the lesser states particularly would not be inclined to abandon "old landmarks" or "old moorings" even as they enter a post-cold war era.

3. In a post-cold war era, is the Asia–Pacific ripe for a region-wide confidence-building mechanism of the sort that has emerged in Europe in the form of the CSCE? In the short-term, when governmental initiatives may be slow in developing, such confidence-building exercises may have to be initiated at the non-government level. Other pressures will pull towards the revival of a Zone of Peace, Freedom and Neutrality (ZOPFAN). But in the absence of congruent strategic perspectives in the region (which

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precludes any short-term emergence of either a ZOPFAN or viable new collective security arrangements), the security requirements of the lesser regional states will lead to the development of more sophisticated but less formal types of defence networking and functional military co-operation with intra-regional and certain extra-regional states, as evidenced by the extension of military facilities by Singapore to the United States. However, the uncertain shape of a U.S. military presence in the region after the next round of negotiations over the bases in the Philippines (and the impact of that on other powers such as Japan and China) and the need to address wider regional confidence-building measures would mean that ASEAN itself will increasingly have to accommodate discussions of security co-operation issues in its formal agenda.

4. The winding-down of the Cambodian conflict will generate new pressures on ASEAN to refocus its sights on political and economic co-operation within the grouping itself and with the Indochinese states in the near future. The appropriate modes for participation and co-operation in a wider Southeast Asian context that could involve the Indochinese states (for example, by their accession to the Treaty of Amity and Co-operation first entered into by the ASEAN states in Bali in 1976) would need to be examined.

5. The need to participate more meaningfully in Pacific-wide economic co-operation (through the APEC or future EAEG processes or through smaller sub-regional arrangements in the form of "Growth Triangles" involving neighbouring states) suggests that ASEAN itself should re-examine the existing machinery and institutions for functional co-operation and co-ordination if it is to be an effective core group for wider co-operative processes.

6. The end of the cold war may not necessarily signal the arrival of the "Great Peace". Change brings with it new opportunities but also many new uncertainties. The challenge lies not only in the anticipation of change but also in the adaptation to this ceaseless but increasingly accelerating process.

NOTES

1. Paul D. Wolfowitz, "U.S. National Security Strategy for the 1900s", United States Information Service, official text, 11 December 1989.
2. Even in Albania, the last bastion of Stalinist rule in Eastern Europe, the drift towards democratization was indicated by the holding of multi-party elections in late March 1991, which resulted in the personal defeat of President Ramiz Alia despite a strong showing by the ruling communists.

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3. *Foreign Broadcast Monitor* (hereafter cited as *FBM*), Singapore, No. 95/90, 25 April 1990.
4. This latest visit was acknowledged by Vietnamese Party sources (*Straits Times*, 26 February 1991).
5. *Sunday Times*, 23 December 1990. Indicating the growing economic linkages between Taiwan and the mainland, the *China Daily* placed Taiwan's total investments in China at over US$1 billion, involving 1,000 projects. It reported an expectation of a 4.4 per cent increase in trade for 1990 over the previous year, bringing the total volume of bilateral trade to US$4 billion (*Straits Times*, 6 June 1990).
6. *Straits Times*, 1 October 1990.
7. *FBM*, No. 172/90, 28 July 1990. For the implications of, and regional reactions to, the new U.S. policy on Cambodia, see *FBM*, No. 166A/90, 21 July 1990.
8. *FBM*, No. 210/89, 13 September 1989.
9. Samuel Huntington, "America's Changing Strategic Interests", *Survival* 33, no. 1 (IISS, Jan/Feb 1991): 5.
10. *Straits Times*, 18 October 1990.
11. *Sunday Times*, 21 October 1990.
12. For a discussion of the new security challenges in Europe in the 1990s, see Robert O'Neill, "European Security in the 1990s: A New Organization for a New Challenge — the Alliance for Development in Europe", *Australian Journal of International Affairs*, December 1990, pp. 211–20.
13. On 31 March 1991, the military structure of the Warsaw Pact was formally wound up. Even its political structure is expected to be disbanded later in the year.
14. Kwan Weng Kin, "Japan stops calling the Soviets 'a latent threat'", *Straits Times*, 19 September 1990.
15. See Karl Kaiser, "Directions of Change in the World Strategic Order", *Adelphi Papers No. 237* (IISS, Spring 1989), pp. 3–20.
16. Francis Fukuyama has sought (in a manner that proved controversial) to theorize about the flood of events that marked the end of the cold war. As he sees it: "What we may be witnessing is not just the end of the Cold War — but the end of history as such: that is, the end point of mankind's ideological evolution and the universalization of Western liberal democracy as the final form of human government". See Francis Fukuyama, "The End of History?", *The National Interest* (Summer 1989), p. 4.
17. For a discussion of the changing nature of U.S. power, see Catherine McArdle Kelleher, "The Changing Currency of Power: Paper 1 — The Future Nature of US Influence in Western Europe and North-East Asia", *Adelphi Papers No. 256* (IISS, Winter 1990/91).
18. Lee Kuan Yew, interview with *World Link*, reproduced in *Straits Times*, 2 May 1990.
19. Kwan Weng Kin, "Japan in dilemma over role of defence forces", *Straits Times*, 24 November 1989.
20. See Philip Bowring, "Middle Power Rivalry", *Far Eastern Economic Review*, 12 April 1990, pp. 20–21.
21. Addressing the World Economic Forum at Davos, Switzerland, in February 1990, Lee Kuan Yew pointedly cautioned the Western Europeans against neglecting the Pacific Basin for Eastern Europe (*Straits Times*, 7 February 1990). The Malaysian Prime Minister Dato Seri Dr Mahathir Mohamad expressed similar concerns during the Eighth ASEAN-EC Ministerial Meeting held in the same month (*FBM*, No. 39/90, 17 February 1990).
22. Thomas Omstead, "Iraq is Distracting America from Serious Problems", *International Herald Tribune*, 22–23 September 1990.
23. *FBM*, No. 246/89, 25 October 1989.

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24. *FBM*, No. 174/90, 31 July 1990. See also "A Region at the Crossroads", *Asiaweek*, 10 August 1990, pp. 24–25.
25. *Straits Times*, 12 January 1991.
26. Ibid., 7 April 1990.
27. Ibid., 8 February 1991. According to one East European diplomat, Vietnam owed the Soviet Union more than 8 billion roubles, representing about 85 per cent of its total foreign debt (*Straits Times*, 12 January 1991).
28. See Asad Latif, "U.S. will lose clout in Asia with dwindling military presence", *Straits Times*, 10 October 1990.
29. In February 1990, Hungary, Yugoslavia, Poland and Bulgaria had established diplomatic relations with South Korea. The Soviet Union itself had agreed in December 1990 to establish diplomatic relations with South Korea.
30. Writing in *The Independent*, Andrew Hinggins has noted that a Chinese Party document being circulated after the upheaval in Romania contained pages on the internal crisis in Eastern European countries and the Soviet Union. It concluded that China alone had followed the correct path (article reproduced in *Straits Times*, 16 January 1991). Interestingly, the Deputy Editor of *Nhan Dan* has in a critical essay commented that the Vietnamese Communist Party "is stressing that it has a mission to safeguard Marxism-Leninism .... This way of interpreting events in Europe amounts to a kind of panic ... which is blocking the moves towards democratization ..." (Bui Tin, "A Dramatic Reversal", *Far Eastern Economic Review*, 14 March 1991, p. 5).
31. The information was given in a letter to the U.N. Secretary General by Soviet Deputy Foreign Minister Vladimir Petrovsky in December 1989.
32. This was attributed to Col.-General Nikolai Chernov of the Soviet General Staff (*Sunday Times*, 17 December 1989).
33. As told to a U.S. Congressional delegation by Vietnamese Foreign Minister Nguyen Co Thach (*Straits Times*, 23 April 1990).
34. *New York Times*, report by Michael Gordon (reproduced in *Straits Times*, 3 August 1990).
35. *Straits Times*, 20 September 1990.
36. U.S. Department of Defence Report, "Strategic Framework for the Pacific Rim", USIS Official Text, 19 April 1990. See also, Susumu Awanohara, "Flurry of signals: US report on future Asian defence unveiled", *Far Eastern Economic Review*, 3 May 1990, pp. 10–11.
37. In the 1990 edition of its annual report *Soviet Military Power*, the Pentagon noted that Soviet military reductions in Asia, primarily in Mongolia and along the Sino–Soviet border, would largely be offset by upgraded and new military hardware (US Department of Defence, *Soviet Military Power 1990*, pp. 97–99).
38. For a background to this incident, see Chai Kim Wah, "Three countries locked in a tussle over tiny islands", *Straits Times*, 2 November 1990.

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Domestic Changes in China Since the 4 June Incident and their Implications for Southeast Asia

*LEE LAI TO**

For the states of Southeast Asia, change in an important extra-regional power such as China, of whatever form and magnitude, cannot pass unnoticed. This is especially true of the developments arising from the Tiananmen incident in 1989. This article revolves around an analysis of the ramifications of the incident for the leadership contest and the direction of economic and political reform in China. It reaches the conclusion that the focus of China's domestic and foreign policies will be on achieving economic development. For this to occur, China will seek to maintain good relations with the ASEAN member states in order to recover support within the international community as a whole, and thus continued economic assistance. China, therefore, is likely to try to downplay any regional disputes and establish its place in the post-cold war world through economic performance.

When China's leadership finally decided to crush the demonstrators in Beijing in June 1989, a momentous and yet controversial move was taken to end what was considered to be a "counter-revolutionary rebellion" in China. The move no doubt ended the turmoil forcefully. Perhaps, more importantly, it fractured the already complicated and conflict-ridden polity and created more problems for China's ongoing reforms. This study proposes to provide an overview on, first, the leadership conflicts in the light of the Tiananmen incident and the problem of political succession in leadership-dependent China. In that connection, the problems of, and

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prospects for, the military in Chinese politics will also be examined as these issues are related to leadership conflicts; the enhanced significance of the People's Liberation Army (PLA) after the Tiananmen incident also certainly requires a closer analysis in terms of party–army relations in China. Secondly, the direction of China's reforms (especially economic reforms) in the aftermath of the 4 June incident has been affected, at least on the surface. The politics of reform after the Tiananmen incident is therefore scrutinized to find out if there were really changes in emphasis. Thirdly, some general observations about the regional implications of the domestic changes are presented. The focus here is more on the problems and opportunities for Southeast Asian countries in China. Particular note is taken of the implications for Sino–Southeast Asian relations of the sanctions against China by the West and the more "rational" responses to the events in China from the Southeast Asian states.

Leadership Conflicts and Political Succession

To understand the nuances of the élite conflicts in Beijing, it would be useful to distinguish at least two major groups among the Chinese élite, based on their seniority. It has been noted that the leadership of the Chinese Communist Party (CCP) is divided into two lines: the "first-line" leaders who manage the day-to-day administration, and the "second-line" leaders who are only involved in major issues of strategy and policy.[1] The first-line leaders are usually relatively young. While they hold official positions in the party or state, and also have their own forte and support from various sub-systems in the polity, they still depend on the patronage and blessings of the relatively older members from the "second line". The political culture in China would probably persuade the first-liners to pay their due respects to the older, second-liners. More importantly, the former have to rely on the experiences and the connections (*guanxi*) of the latter in the party, state and military. Some of these second-liners may not have important official positions as a result of voluntary or involuntary retirement, but they have never really retired from politics. In fact, the "geriatric élites" or "octogenarians" wield disproportionate influence on Chinese politics. Although they may not agree with one another, it would be misleading to polarize the differences between them. It seems that whatever differences they may have, there is an understanding among themselves to work out a compromise. Having gone through thick and thin over the years, especially during the tumultuous Cultural Revolution, these senior leaders have no desire to see another one which would again produce havoc for China. From the developments in the 1980s, it would seem that members of the second-line have been working with Deng Xiaoping, the kingpin of Chinese politics. They may disagree with Deng,

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who often has to consult the former, but they would normally defer to him and let him act as a balancer. As revealed by Deng himself, he is the "core" of the senior group.[2] For the first-liners, they no doubt have their differences among themselves especially concerning reforms, as will be shown later. But as long as they do not commit any major errors, and incur the wrath of the second-liners, especially Deng, these first-liners can carry on with their work at the behest of their patrons and position themselves for the post-Deng era. Under these circumstances, there is primarily vertical communication between the first- and second-liners, with less horizontal communication among the first-liners themselves. The problem with this is, firstly, the polarization of the differences among the first-liners, and secondly their dependence on the second-liners which would decrease the opportunities for the first-liners to develop their own "independent kingdoms". The chances are that the second-liners would be quite apprehensive and suspicious of their "disciples" if the latter were to develop their own spheres of influence. The trouble, however, is that without any independent influence, the first-liners cannot really stand on their own once their patrons are not around. As such, the longevity of the individual second-liners determines to a large extent the fate of the first-liners. Whoever is able to outlive the others, especially Deng, will have more influence in charting future directions for China. The dilemma, or problem, for the first-liners is that as long as the second-liners are around, they will have to live and act under the shadow of the latter.

At the time when the editorial of 26 April 1989 was published in the *People's Daily*, it was clear that the CCP saw the student demonstrations as a plot to topple the party, and a turmoil reminiscent of the Cultural Revolution. When the CCP managed to order the army to crush the unarmed demonstrators on 3–4 June 1989, it was a foregone conclusion that the tough line advocated by second-liner Deng, and others, had prevailed and that the "soft" attitude of first-liners Zhao Ziyang and his associates had been dismissed. It should be noted that Zhao and his supporters were already in trouble even before the Tiananmen incident. Their more liberal reform policies, notably price reform and decentralization of the economy, had increased inflation in 1988 and antagonized those who favoured more caution in economic planning. Zhao's lukewarm attitude towards attacking "bourgeois liberalization" had also created misgivings among the second-liners who would have liked more emphasis on ideological work.

Zhao's fate after the 4 June incident was eventually revealed at the Fourth Plenum of the Thirteenth Central Committee of the CCP in late June 1989, when a communiqué announced that Zhao had been stripped of all his posts (except his membership of the party) for supporting the "turmoil" and splitting the party, and that his case would be further

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investigated.[3] Likewise, Zhao's associates, Hu Qili, Rui Xingwen and Yan Mingfu were removed from the party's central leadership, although they retained their membership of the Central Committee, for their alleged sympathy towards the "turmoil". To replace Zhao, Jiang Zemin, the former party chief from Shanghai, was elected as the new General Secretary. Moreover, 63-year-old Jiang, together with 72-year-old Song Ping and 55-year-old Li Ruihuan, were added to the Standing Committee of the Politburo of the CCP Central Committee. Table 1 shows the new line-up of the top organs of the CCP after the Fourth Plenum of its Thirteenth Central Committee.

TABLE 1
Leaders of the CCP after the Fourth Plenum of the Thirteenth Central Committee

General Secretary
Jiang Zemin*

Politburo

Standing Committee
Jiang Zemin*, Li Peng, Qiao Shi, Yao Yilin, Song Ping* and Li Ruihuan*

Full Members
Wang Li, Tian Jiyun, Qiao Shi, Jiang Zemin, Li Peng, Li Tieying, Li Ruihuan, Li Ximing, Yang Rudai, Yang Shangku, Wu Xueqian, Song Ping, Yao Yilin and Qin Jiwei.

Alternate member
Ding Guangen

Secretariat

Full members
Qiao Shi, Li Ruihuan* and Ding Guangen*

Alternate member
Wen Jiabao

* Newly elected at the fourth plenary session of the Thirteenth Central Committee of the CCP on 24 June 1989.

It should be noted that all the newly elected members of the Standing Committee and Secretariat were already members of the Politburo before the 4 June incident. In that way they did not rise in the party like a helicopter, to use a parlance in China. Their elevation, and not that of

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others, however, warrants an explanation. It is significant to note that those first-liners like Li Peng, Qiao Shi and Li Ximing, who had worked hard to suppress the "turmoil", remained as they were. Elevated to the Secretariat were youthful Li Ruihuan, a carpenter in origin and party secretary of Tianjin Municipality, and sixty-year-old Ding Guangen, then a vice minister of the State Planning Commission and director of the Taiwan Affairs Office of the State Council. Those newly elected to the Standing Committee of the Politburo included Li Ruihuan (again) and the rather elderly Song Ping, who was head of the party's organizational department and had long experience in Gansu and the State Planning Commission. Most important of all, it also included Jiang Zemin, who became the General Secretary. Jiang's appointment had probably created misgivings among other first-liners. No doubt Jiang could be credited with calming down the turmoil in Shanghai without bloodshed, emphasizing the importance of upholding the four cardinal principles and opposing bourgeois liberalization, as demonstrated by the dismissal of the editor of an influential Shanghai newspaper (the *World Economic Herald*) during the demonstrations. His linguistic skill and professional background may also have helped to a certain extent. However, his performance in Shanghai before the 4 June incident was not known to be impressive. It seems that one major reason for Jiang's appointment could have been the reservations of Deng and other party elders about appointing those first-liners who had been associated with, and were ardent supporters of, the use of brutal force in suppressing the demonstrations. The need to rebuild the party's and China's image at home and abroad would need a "new" face. Another reason, and probably a much more important one, was Jiang's emphasis on ideological correctness in launching reforms and adopting the "open-door" policy. This could have caught the eye of Deng, and others in the second-line, as one of the major faults of the previous two general secretaries was their susceptibility to "bourgeois liberalization". Finally, as someone from metropolitan Shanghai, Jiang would have had numerous opportunities to build up relationships with some of China's top leaders and acquire experience in dealing with foreigners owing to China's "open-door" policy and economic reforms. This exposure would be an asset for someone like Jiang who was seen to have maintained the correct ideological stand during the demonstrations.

Because of Jiang's relatively junior status in the party hierarchy, and the disappointment of those who felt that they had not really been given their fair share of rewards for work done during the incident, Jiang might not get full co-operation and support from his colleagues in the party. Deng no doubt sensed this and as a result he had to appeal to the others to accept Jiang as the "core" of the third-generation leadership. As he

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revealed, Deng considered Mao the leader of the first generation, he himself was the leader of the second generation, and he urged others in the leadership to put aside their differences and rally around Jiang as the "core" of the third generation.[4] Deng was evidently frustrated by the failure of his previous arrangements to have Hu Yaobang and Zhao Ziyang as successors and he was afraid that the whole polity was placing too much emphasis on the second-liners, especially himself. In highlighting the leading role of Jiang, Deng used his weight and his role as a balancer to forestall more squabbles in the party so that work on the four modernizations could be continued. At the age of eighty-five then, Deng made it known that he would like the Politburo and its Standing Committee to be fully in charge of China and he would help from the wayside. He also disclosed that he did not want any more official titles.[5]

To beef up Jiang's status as the new leader, and in view of the significance of the military in Chinese politics, it was not surprising that Deng's next move was to ask Jiang to take over his place as Chairman of the Central Committee's Central Military Commission, at its Fifth Plenum held in November 1989.[6] It was also logical that Jiang should take Deng's place as Chairman of the state Central Military Commission at the third session of the Seventh National People's Congress in April 1990. The problem remains, however, that of Jiang's junior status and lack of connections with the military. In terms of seniority in the party, Jiang is even less senior than Hu Yaobang and Zhao Ziyang, the two previous successors chosen by Deng. Hu's association with the CCP can be traced back to the early days of the communist leadership, whilst Zhao had become a communist in 1938. In the case of Jiang, he had joined the CCP only in 1946.[7] It was quite clear that even with Deng's support and the relative seniority of Hu and Zhao, both of them had had problems in getting themselves accepted by the military. It is evident that Jiang would need even more time to establish himself among the military. Quite obviously the longer Deng lives, the better for Jiang. It is, probably, also the hope of Jiang and Deng that as greater professionalism is developed in the PLA, the latter would be less concerned with politics and the party could continue controlling the gun. Once again, this would take time to evolve. In the meantime, there are indications that the military may have enhanced its political significance, and that the transfer of control from the military to civilians after the Tiananmen incident may not have been smooth. A look at the following personnel changes in the Central Military Commission of the CCP's Central Committee, at its Fifth Plenum in November 1989, can be quite revealing (Table 2).

Although Jiang was appointed Chairman of the Central Military Commission at the behest of Deng, it was obvious that Yang Shangkun

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TABLE 2
Central Military Commission of the CCP's Central Committee

Position	*Before Fith Plenum*	*After Fifth Plenum*
Chairman	Deng Xiaoping	Jiang Zemin
First Vice-chairman	Zhao Ziyang	Yang Shangkun
Permanent Vice-chairman or Vice-chairman	Yang Shangkun	Liu Huaqing
Secretary General	Yang Shangkun	Yang Baibing
Deputy Secretary	Hong Xuezhi	Nil
Generals	Liu Huaqing	

still wielded tremendous influence in the military. Yang's position was buttressed, notably, by his younger half-brother, Yang Baibing, who, as head of the PLA's General Political Department, became not only the new Secretary General of the party Central Committee's Central Military Commission, but a new member of the party Central Committee's Secretariat at the Fifth Plenum. Apparently, another Yang, believed to be the elder Yang's nephew, was in charge of the 27th Army which played an active role in crushing the demonstrations in Beijing, and was transferred to the capital during the "turmoil" to counter soldiers (notably those from the 38th Army) who were reluctant to shed the blood of the people. Yang Shangkun's ability to build up his own loyal network after the Tiananmen incident gave rise to the notion of "the generals of the Yang family" dominating the military. This could have resulted from the enhanced significance of the military under Yang Shangkun in times of uncertainty. It could also be one of Yang Shangkun's conditions for agreeing to Deng's move to groom Jiang in the military. From Deng's perspective, Yang Shangkun's reliability at the time of the June crisis was especially significant when there was dissent on the way in which the demonstrations should be handled and over the removal of Zhao and his associates, both in the military and in the party. As far as the military was concerned, it was clear that Deng would have to rely on the two Yangs to restructure the personnel in the military so as to weed out those who were too old or who might be considered to be sympathetic towards elements associated with "bourgeois liberalization" and the pro-democracy movement. As it turned out, the subsequent reshuffle in the military high command was executed by, notably, Yang Baibing. The reshuffle witnessed the retirement

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of ageing generals and their replacement by those loyal to the leadership, particularly Yang Baibing.[8] Changes also took place in the regional command when six of China's seven military regional commanders and four newly appointed political commissars were reassigned in one of the major reshuffles in 1990.[9] This was done by Yang Baibing in the affected military regions and not announced at meetings of the Central Military Commission, possibly to ensure that the transition would be carried out smoothly.[10]

The loyalty of the military under Yang Shangkun in executing the tough measures mapped out by Deng and his associates, apparently paid off — the PLA's budget for 1990 was increased by 15.2 per cent from RMB 25.1 billion to RMB 28.9 billion (or 11.47 per cent of the total budget). This increase was significant, considering that there was only a 4.8 per cent rise in overall spending and that defence spending had been cut by an annual average of 7 per cent in real terms in the previous decade.[11] Part of the increase, no doubt, would be absorbed by inflation. However, the pay-off was probably deemed necessary, not only to reward loyalty but to strengthen the internal security role of the PLA. The enhanced importance of the military in Chinese politics was also obvious in view of its extensive "civilian" roles after the Tiananmen incident. These included the dispatch of military figures to replace a number of newspaper editors and editorial staff; the PLA was also involved in political education. Freshmen from Peking University were required to spend a year in the army before embarking upon their university education. A propaganda campaign asking the Chinese to emulate a PLA soldier, Lei Feng, was also launched. In view of the rising significance of the military, it was not surprising that when the communiqué of the seventh plenary session of the Thirteenth Central Committee of the CCP was adopted on 30 December 1990, it was stated that "...the modernization of national defence should be stepped up".[12]

It remains to be noted that the political infighting in China was also played out in the military. In fact, the tussle in the PLA and, for that matter, in the CCP, contributed to a large extent to the seriousness of the crisis in June 1989. Within the PLA, the rise of the Yangs and the relatively greater emphasis placed on political education in the military did not go unchallenged by the professionally oriented, like Liu Huaqing and other Deng loyalists. A large group of younger, technocratic and professional officers, probably in their forties and fifties (some of them just below the top rank), may not be as enthusiastic in following the traditional emphasis of the PLA mapped out by the old guard. Last but not least, the PLA under the Yangs still has to repair its damaged image as the people's army, especially among the urbanites, after the Tiananmen

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incident. Despite all these problems it is obvious that the civilians among the third-generation leaders, like Jiang, would still find it difficult to get themselves accepted by the army. They could only hope that Deng will live long enough for them to make more headway in building up a rapport between the army and party. Whether the army will serve the party in the post-Deng era remains to be seen.

After the Fifth Plenum, it seems that there was either general agreement in the CCP that major changes in the political leadership at the very top should be slowed down, or there was a stalemate between the political forces on further leadership changes. This was well demonstrated at the Sixth and Seventh Plenums of the CCP's Central Committee (in March and December 1990 respectively) and at the third session of the Seventh National People's Congress (NPC) in March–April 1990. At the Sixth and Seventh Plenums, no significant changes were made in the party leadership. In the case of the third session of the Seventh NPC, the new line-up in the state Central Military Commission, with Jiang Zemin as its Chairman, simply reinforced the earlier changes in the party Central Committee's Central Military Commission. There were also minimal changes in the Standing Committee of the NPC. An obvious change, however, was the dismissal of one of its members, Hu Jiwei, from all posts in the NPC. Allegedly, Hu had supported and participated in the "turmoil" of June 1989. Nevertheless, it should be noted that NPC delegates such as Hu Qili and Zhao Ziyang were able to retain their seats. In fact, Hu reappeared at the NPC meeting. Zhao, on the other hand, was supposed to be on leave from the meeting. It was clear, however, that there were opinions at the top suggesting that Zhao's case should not be dealt with too harshly as, for one thing, Zhao was still a member of the CCP. For another, it was openly admitted that Zhao's problem was a political one and there would not be a public trial for him.[13]

The indecision concerning the fate of Zhao and Hu reflected the possibility that these cases would be dealt with leniently, because of the fragmented opinions at the top. It could also be due to the desire of all to put aside their differences in order to concentrate on urgent developmental tasks. The constant emphasis on stability in Premier Li Peng's "Report on the Work of the Government" in early 1990, underscores the concern of the leadership about possible disruptions to China's development process because of political squabbles at the top. In view of the disillusionment of some of the people with the party and the government, and the possible repercussions of the drastic changes in Eastern Europe and the Soviet Union after the Tiananmen incident, there was also an urgent need to emphasize political education and to strengthen support from the citizens. The importance of making the Asian Games, to be held

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in September 1990, a success and of using the occasion to enhance China's image in the eyes of the world could also have contributed to the emphasis on stability and in putting aside leadership changes at the very top. However, it was also evident that beneath the relative tranquillity at the top, personnel changes elsewhere would be continued so as to weed out "undesirable" cadres, especially those who were sympathetic towards the 4 June demonstrators. As noted earlier, there were changes in the military regions. The new leadership after the Fourth Plenum of the party Central Committee (and its Organizational Department) were also known to have mapped out, and implemented, other changes in the central, provincial and basic organs.[14] Towards the end of 1990, more ministerial changes were made by the NPC. Notably, these included the replacement of public security minister Wang Fang, by his deputy Tao Siju, and that of foreign economic relations minister Zheng Tuobin, by his deputy Li Lanqing.[15] While these changes could have been based on politics, especially the ministers' attitudes towards the 4 June incident, they could also have been based on performance, age, education and discipline.[16]

It is obvious that the major danger in the present make-up of the political leadership in China lies in its heavy dependence on Deng as the balancer. To be sure, Deng cannot make his views prevail all the time and he has to respect and consult other second-liners. While Deng may prefer to groom Jiang, it is apparent that he accepted, or had to accept, the presence of others who were known to be closer to second-liners other than himself. At present it is clear that a number of party elders such as Chen Yun, Peng Zhen, Li Xiannian, and Wang Zhen, not to mention Yang Shangkun and Deng Xiaoping, wield tremendous influence, even though they may officially be in retirement. As noted, seniority counts for a lot and whether the second-liners hold any "official" positions is not as important in the power structure of China.

In the case of Deng, he has had to make compromises and concessions to other party elders. In this sense, Deng may not be considered to be as powerful as Mao, although both enjoyed tremendous influence in the party, state and army. However, Deng, unlike Mao, was willing to drop all his official titles and pass them on to his chosen successor. Only, in the case of Jiang, he was pulled up in a hurry. As a result, the longer Deng lives, the better for Jiang. From all indications, it would be safe to say that China, after Deng, will probably not see again the rise of leaders as powerful as himself or Mao. In spite of the possibility that some senior leaders could outlive Deng and exert undue sway in post-Deng Chinese politics, nobody in the present top leadership is likely to command the respect from the party, state and military or wield the kind of influence enjoyed by Deng, not to mention Mao. Moreover, as noted before, there

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is also a common understanding among the senior leaders that it is of paramount importance to preserve stability for the four modernizations.

For the time being, it seems that Yang Shangkun has been entrusted by the second-liners, including Deng, to monitor the performance of the first-liners. While Deng is still around, Yang, or for that matter, others in the second line, would not (or could not) interfere much with Deng's desire to have Jiang as the "core" of the first-liners, at least for a while. Under Deng, all are supposed to concentrate their efforts towards developing the economy. While it is difficult to predict the outcome of the political succession process after Deng, it seems that if Jiang has sufficient time to build up his political clout under the guidance of Deng, it is likely that there could be a collective leadership after Deng, with no one person dominating everything. Whether a collective leadership in the post-Deng era will last long and work as a team remains to be seen.

Reforms Under Stress

It is obvious that China, having gone through a decade of reform, is unlikely to reverse its goal of the four modernizations. The reform policy has generated its own momentum, making it difficult, if not suicidal, for the Chinese leaders to forsake the various reforms. While there is agreement with regard to the general direction and goal of the reforms, there are differences in the emphasis, scope and tempo of such reforms. The official Chinese media would only admit that there are two views on reform. One holds that reform and the "open door" policy should be based on the four cardinal principles, namely, adherence to the socialist road, the people's democratic dictatorship, the leadership of the CCP, and Marxism-Leninism and Mao Zedong Thought. The goal of the modernizations should be the building of, what is called in China, socialism with Chinese characteristics. The second is purported to have been contaminated by "bourgeois liberalization" as its policy will transform China into a capitalist country.[17] This, of course, is a gross simplification of the situation. To understand the twists and turns of China's reforms since the 4 June incident, it is instructive to distinguish three major groups of élites. They are the conservative reformers, the liberal reformers, and the neo-reformers.

The first group consists of those who place much emphasis on tradition, history, and politics and less on disruptive and drastic measures in reforming China. They tend to have relatively more confidence in a planned economy than market forces, and consequently a macro-regulatory system for central planning. The emphasis of this group is gradualism,

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stability, and the State over individuals. The leading figures are first-liner Li Peng and second-liner Chen Yun.

The second group is more willing to decentralize and delegate power to local units. While they are by no means advocating *laissez-faire*, they have confidence that the use of the market mechanism could be combined effectively with guidance from the centre. They are more businesslike and more willing to recognize individual or private interests and they are also prepared to accept change rather than continuity so as to push the Chinese economy ahead, in spite of temporary set-backs or problems. The leading figures in this group are first-liners, Zhao Ziyang and Hu Yaobang.

The third, and final, group is composed mainly of leaders who became prominent after the 4 June incident. They are aware of the importance of following the correct political line and ideology. With their experience of reform and the "open-door" policy, they tend to be more flexible in their outlook on the use of market forces or centralization of the economy. As a result, they may be seen to be leaning towards the conservative reformers or the liberal reformers, depending on the time and the issue. In addition, they are concerned with the realities of the power structure at the top in the sense that they are not seen to be too dogmatic in upholding their views so that there can be a common basis from which China can push forward its reforms. The representative figures here are Jiang Zemin and Li Ruihuan. Since their elevation in politics came only recently, they still need time to build up their power base and rapport with their colleagues. They are probably backed by Deng Xiaoping, the balancer and realist *par excellence*, in the triangular power configuration.

To analyse the development of reforms in China after the Tiananmen incident, it is useful to recall that at the Third Plenum of the Thirteenth Central Committee held in September 1988, it was emphasized that the most urgent task for China was to overcome economic disaster. Economic readjustment and austerity measures were deemed necessary in view of China's many economic woes. As admitted by the Chinese themselves, these included inflation, an imbalance between demand and supply, the irrational industrial structure, rapid growth in industry but slow growth in agriculture after 1984, and a chaotic economic order where there was high consumption, low efficiency and a lack of co-ordination. In a way, Zhao and his associates were already in trouble before the 4 June incident. The austerity measures introduced after the Third Plenum were already an indictment of the more liberal reform policy, notably the use of the market mechanism to regulate the economy, pursued under Zhao. By the time of the second session of the Seventh NPC in March 1989, it was apparent that more drastic measures would have to be introduced to correct the overheated economy. For one thing, the increase in the consumer price

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index for 1988 was at an all-time high of 18.5 per cent, with 21.3 per cent in the cities and 17.1 per cent in the countryside.[18] As made known by Li Peng in the second session of the Seventh NPC, China would make use of economic, administrative, legal, disciplinary and ideological methods to rectify the economy. The six major targets set for China were: to cool the overheated economy, decrease runaway inflation, contract investment in fixed assets, balance demand and supply, adjust the economic structure, and establish an economic order. The adjustment was again a sign that China would retreat from the more liberal and decentralized measures which had recognized the articulation of local and private interests and the importance of political reforms.

The situation worsened for the liberal reformers after the Tiananmen incident. A number of intellectuals associated with Zhao's economic and political reforms were in trouble, leading some to flee the country. However, even with the removal of Zhao and his supporters after the Fourth Plenum of the Thirteenth Central Committee, it was reiterated by the party that the policies mapped out at the Thirteenth Party Congress in October 1987 would be carried out with no modification. To a certain extent, this could have been a face-saving device for Deng as he had endorsed Zhao's report to that congress, and to a large extent Zhao was carrying out the reforms under the behest of Deng. None the less, a careful reading of the statements by the new General Secretary Jiang Zemin, and Li Peng, reveals that subtle changes had been proposed after the Tiananmen incident.

First, the primary stage of socialism, a new theoretical and political proposal for reforms in China made at the Thirteenth Party Congress under Zhao, was no longer emphasized — at least for a while after the Tiananmen incident. According to this new theory, Chinese socialism was still at its primary stage which was the period from the time when the "socialist transformation of private ownership of the means of production was basically completed to the time when socialist modernization will have been in the main accomplished".[19] While Zhao still paid his respects to the four cardinal principles and other socialist dictums, his emphasis in reform was more on the improvement of productivity and the introduction of "novel" methods, such as the utility of a private sector, the thriving of a market economy, and establishing stock exchanges. For Zhao, one of the major impediments to reform was the conservative resistance to the introduction of new measures, revolving around political reform and a new environment for modernization. However, from Jiang's statements after 4 June, it could be seen that he did not talk much about the primary stage of socialism. Instead, it was clear that the top priority in China's modernization after the Tiananmen incident would be the upholding of the socialist road and the four cardinal principles. While

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the party, as disclosed by Jiang, was not totally against the use of market forces, the private sector and other "novel" ideas in developing China, it paid relatively more attention to the traditional emphasis on ideology, a planned economy, public ownership and the restriction of private and individual interests in the economy.

Secondly, with regard to specific developmental strategies, the party's emphasis after the Fourth Plenum also differed from that of the Thirteenth Party Congress, as shown in Table 3.[20]

TABLE 3
Differences in Emphasis Concerning Development Strategies

Selected Reform Items	*Thirteenth Congress*	*After Fourth Plenum*
Education	Quality and the talented	Marxism-Leninism and Mao Zedong Thought; alliance with workers and peasants
Agriculture	Agriculture and food production considered to be part and parcel of the rural economy; town and village enterprises should be encouraged to grow	Relatively more emphasis on agriculture and food production; town and village enterprises should help agriculture
Imbalance between demand and supply	Major adjustment	Minor adjustment
Adjustment in the industrial structure	More attention to consumer industries	Restraint on developing consumer industries
Town and village enterprises	Encouraged to grow	Discouraged to grow; should help agriculture
"Open door" policy	Rapid expansion encouraged; improvement of investment environment	Continuation of the policy; maintenance of sovereignty and independence and the respectability of socialism in the process

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From these subtle differences it can be seen that the new line, as revealed by neo-reformer Jiang, tends to be closer to the conservative than the liberal reformers. It is more aware of the repercussions of "bourgeois liberalization" and a decentralized economy than that expounded at the Thirteenth Party Congress which had criticized the concentration of power, bureaucratism and the conservative reluctance over separating party from government functions, and which had aimed to end the usurpation of the government role by the CCP in launching political reforms.[21]

By the time of the Fifth Plenum in November 1989, it was obvious that the party would continue to emphasize centralization, austerity measures and tight monetary and fiscal policies despite problems such as a sluggish market, unemployment, a fall in industrial growth, and opposition from cadres at lower levels. According to the decision taken by the Fifth Plenum to further improve the economic situation and deepen the reforms, the goals set for economic rectification included the following:

1. To gradually reduce the rate of inflation, particularly the rate of the country's retail price hikes to below 10 per cent;
2. To reduce the volume of banknotes issued so that money supply would be compatible with the needs of economic growth;
3. To strive to balance revenue and expenditure and gradually eliminate financial deficits;
4. To strive to maintain a 5 to 6 per cent GNP growth rate;
5. To change the irrational industrial structure and try to bring about a gradual growth in the production of major farm products, and to ease the shortages of energy and raw material supplies and improve transportation facilities;
6. To further improve various measures to deepen the reforms and gradually establish a macro-economic control system which conforms with the principle of combining the planned economy with market forces.[22]

To accomplish the above tasks, it was estimated at the Fifth Plenum in 1989 that China would need three or more years. The period needed was longer than the two years that the leaders at the Third Plenum in 1988 had envisaged. Apparently, the seriousness of China's economic woes required the CCP to spend more effort and time to heal them.

After more than a year of economic restructuring and rectification, it seemed that China had achieved some results by early 1990. According to Zou Jiahua, State Councillor and Minister in charge of the State Planning Commission, some improvements in China's economy had begun to emerge. These were indicated by the following: the overheated economy had begun to cool off; over-investment in fixed assets was scaled down; inflation was

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brought under control; and production continued to increase.[23] However, a careful assessment of the reports by Li Peng, and others, at the third session of the Seventh NPC in March 1990 revealed that many of the old problems remained to be solved. In addition, the rectification had created new problems although it had produced some results: notably, the GNP growth rate in 1989 had declined to only 3.9 per cent as the economy cooled off, well below the average of 9.6 per cent per year for the previous decade, and also below the growth rate of 5–6 per cent targetted at the Fifth Plenum.[24] None the less, growth in agriculture seemed to be doing fairly well as it increased by 3.3 per cent, with a considerable rise in grain production. However, there had been a negative growth rate in the industrial sector since October 1989, although the rate for the whole of 1989 was 8.2 per cent. Apparently, the austerity measures had forced a number of industrial enterprises to close down, leading to a rise in unemployment in urbanized areas, from 2 per cent in early 1989 to 4–5 per cent towards the end of the year.[25] Inflation also did not seem to be under control. Although it was claimed that the general increase in the consumer price index had fallen below the two-digit level since October 1989, the officially admitted increase for 1989 as a whole was still 17.8 per cent, only a slight decrease from the all-time high of 18.5 per cent for 1988.[26] As a result, the tasks set for 1990, according to Li Peng, included the continuous strengthening of agriculture, enlivening the sluggish market, and sustaining moderate growth in industrial production, continuous checking of total demand, handling financial matters well, tightening control over prices, deepening enterprise reforms and improving macro-economic regulation, and controlling the open-door policy.[27]

While most of these were not new measures, it seems that the improvement of the sluggish market and industrial performance would be given some priority. This was reflected in the relaxation of restrictions on bank loans to industrial enterprises and the lowering of interest rates for bank deposits. In view of the importance placed on stability by Li Peng in the third session of the Seventh NPC, agriculture was also given emphasis as it provided food, raw materials for industry, and foreign exchange. In the case of agriculture, Beijing decided that the investment for 1990 would be increased by 30 per cent, despite the policy on austerity. The increase in agricultural investment was the highest for the past decade.[28] There also seemed to be less restrictions on, and more encouragement for, the development of village and township enterprises, to boost the income and morale of peasants and create new jobs in the rural economy.

By the end of 1990, it seemed that China had scored some uneven successes in its economic adjustment. Notably, the increase in the consumer price index for 1990 was reportedly just 3 per cent, a significant

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drop from the officially admitted 17.8 per cent for 1989 and 18.5 per cent for 1988.[20] Headway was also made in other areas; for example, there was a bumper harvest, surpluses in foreign trade, a loosening of sanctions by the West, a steady improvement in industrial growth, and a revitalization of the sluggish market. But, as readily acknowledged by the Chinese themselves, the returns from enterprises continued to drop, economic losses increased and consequently the state still faced heavy financial difficulties mainly because of price subsidies, and subsidies for failing enterprises.[30] The danger of inflation was still lurking, not so much because of the increase in money supply but because of the issuing of credits and loans to bring about economic rehabilitation, especially in the industrial sector during 1990.[31]

On top of this, it seems that the differences among China's leaders on economic reform remained too serious to be resolved. Thus, while the report by Li Peng in March 1990, at the third session of the Seventh NPC, still reflected the conservative bent in economic planning, it was by no means a total negation of the more liberal measures. Notably, Li pointed out that the combined use of the planned economy and market forces depended on "differing ownerships, enterprises, production links and fields, industries or products and should be adjusted and improved as necessary in a changing situation".[32] More interestingly, Li even mentioned that "the guiding principle for 1990 is unswervingly to adhere to the fundamental line of the party in *the primary stage of socialism*, focus on economic development, uphold the Four Cardinal Principles and the polices of reform and opening to the outside world. . . ."[33]

The communiqué of the seventh plenary session of the Thirteenth Central Committee of the CCP, adopted on 30 December 1990, also acknowledged that China was in the primary stage of socialism.[34] Although re-emphasizing the applicability of the "theory" of the primary stage of socialism for economic development, first mooted in Zhao's time, the imprint of the liberal reformers had not been erased. It also indicated that the ongoing discussion on the "correct" line in China's four modernizations had by no means resolved the issue.

The differences among the leaders was further emphasized just before the convening of the Seventh Plenum in December 1990, when Deng had to instruct party leaders not to quarrel over whether the economy was running along socialist or capitalist lines. Reportedly, Deng had said that "we needn't spend our time debating the relative proportions of the planned economy and the market economy; the important thing is simply to look for ways to develop the economy. . . . A market economy is not necessarily capitalist, and a planned economy is not necessarily socialist".[35] Probably because of Deng's intervention, the Seventh Plenum

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glossed over the disagreements among the top leaders, and those between the central and provincial leaders, with regard to the eighth five-year plan from 1991 to 1995, and a ten-year programme for the remaining decade of the twentieth century. In the end, the Plenum only briefly mentioned the key priorities of the eighth five-year plan and the ten-year programme. These were mainly boosting investment in agricultural production, infrastructure, and other basic industries; reorganizing and improving the efficiency of the processing industry; upgrading the educational, scientific and technological sectors; modernizing national defence; and other tasks of economic reform. A large part of the communiqué from the Seventh Plenum was non-commital as it just laid down some general principles to be followed in the future, such as deepening reform and opening the economy to the outside world, building socialism with Chinese characteristics, and developing the economy in a sustained, stable and co-ordinated manner.[36] The vagueness of, and the compromise contained within, the CCP's communiqué probably did not satisfy any faction and denote the inability of the CCP to settle the political infighting and give clear-cut directives. The vastness and diversity of China's economy also contributed to the difficulties involved. However, the fact that the communiqué was long on generalities and short on specifics may be considered appropriate, and a blessing in disguise, by the CCP, as it will give it more time and room for intensive bargaining behind the scenes to hammer out details. Moreover, it could gloss over the internal bickering and give a semblance of unity of purpose in modernizing China.

It remains to be said that for the present leadership in Beijing, the most important prerequisite for economic development is political and social stability. While it may be relatively more flexible in making compromises over economics, it is firm in emphasizing ideological orthodoxy in politics. As such, liberal reformers such as Zhao and his associates were dislodged not so much because of their errors in economics but those in politics, by deviating from the socialist road as defined by the party elders. Moreover, in the case of political reforms, it was clear that there would not be much emphasis on separating the party and government, decentralization, and other aspects of "bourgeois democracy". The emphasis would be more on the leading role of the CCP, and the use of the legal system and the PLA to preserve security and stability in a "socialist democracy". This is especially true when class struggle, according to Li Peng, "will exist to a certain extent for a long time to come and may even become acute under certain conditions".[37] Not surprisingly, the CCP would like to promote socialist education, particularly among party cadres, as indicated at the Seventh Plenum. The Tiananmen incident has certainly revealed the challenges to socialism and heightened security

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consciousness among the present leaders. The attacks against the CCP and the regime as a whole have made it very clear to the CCP élites that whatever political reforms that have to be made, they should not threaten the dominant position of the party. Political reforms should be introduced selectively only to help the economic development of China and not to change the very nature of "socialist democracy". The dramatic changes in the Soviet Union and Eastern Europe probably also reminded the CCP of the importance of sticking to its guns for fear of losing a hard-won regime built upon the sacrifices of many a revolutionary.

Implications for Southeast Asia

From the major domestic developments after the Tiananmen incident, it is obvious that the stability of China is dependent to a large extent on how the Chinese leaders will work out their differences with regard to political succession and reforms. Any instability arising from these conflicts will affect not only China, but also the surrounding countries, including those of Southeast Asia, because of China's proximity, huge geographical size and population. One is reminded of the classic example of the spillover effects on Southeast Asia wrought by leadership conflicts during China's Cultural Revolution. Although Jiang Zemin has been named by Deng as the "core" of the third-generation leadership, this is by no means an indication that the succession problem has been solved. However, whatever differences that they may have, it is clear that the present leaders in China see the need for a prolonged period of peace and stability in order to carry out China's four modernizations. The present emphasis on stability, as amply stated by Li Peng in early 1990, seems to be well heeded by most, if not all, of the Chinese leaders.

With about 80 per cent of the population living in the rural areas, the overall stability of China actually depends to a large extent on the satisfaction of the peasants. The recent moves to pump relatively more money into the agricultural sector, as noted earlier, will probably boost the morale of the peasants and gain their support for the regime, especially as they were not really involved in the "democracy movement" in 1989.

Even in the urban sectors, not everyone joined the students and intellectuals in their march towards democracy. The June crisis in the urban areas resulted more from a division among the élites and a leadership conflict, thus giving rise to a brief impasse and a chance for the demonstrators to take more radical and drastic measures to make known their demands. Once the threat to the regime, the power of the CCP and Deng became obvious, Beijing's use of force was not unexpected. What

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the post-Tiananmen leaders want is to restore peace and order as soon as possible and get on with their job of reforming China.

While Deng is alive, it seems that he is still able to hold the leaders at the top together. The situation in the post-Deng era, however, is less predictable. There will probably be moments of suspense when the post-Deng leaders try to sort out their differences. However, if the changes of leadership after Mao are any guide (notably, the removal of Hua Guofeng, the trial of the Gang of Four, the exits of Hu Yaobang and Zhao Ziyang), it seems that relatively less drastic and violent methods for leadership changes will be followed by the post-Deng leaders. Since most, if not all, of the post-Deng leaders should be able to see the destructiveness of another "Cultural Revolution" to settle their differences, it is safe to say that they will probably not go for this style of conflict resolution.

Whatever their differences, the post-Deng leaders will try to minimize disruption to the developmental process. As noted earlier, there is a common understanding among the Chinese élites that it is important to preserve a stable China. Now that the Chinese leaders have been exposed to the outside world and have had a taste of growth development, it is also safe to say that whatever leadership emerges after Deng, it would not go back to the Maoist strategy of development. The future leaders should know that there is no going back to autarky, the Yenan way. Despite the problems encountered in the four modernizations over the past decade, the "open door" policy and economic reforms will have to continue so that China can plug itself into the world economic power grid in order to borrow strength from the outside and fulfil the targets set for itself by the end of the century.[38] Even though the Chinese are still emphasizing self-reliance, this does not amount to a rejection of economic co-operation with the outside world. Self-reliance to them means, among other things, full use of international exchanges on the basis of independence. It is likely that the post-Deng leaders will have more leeway to map out their reform strategies once the old guards have left the political scene. If such a scenario materializes, a growth-conscious China will emerge, benefiting not only the Chinese but others (including the Southeast Asians) too, especially in terms of trade with, and investment in, China.

While there may be different opinions on reform, especially political reforms at the top, there is general agreement on the need to continue with economic reforms and the "open door" policy, although the dominant line now seems to emphasize a more circumspect and conservative approach. The economic sanctions against China imposed by many industrialized nations and the slow-down in trade, investment, and tourism after the 4 June incident, greatly affected the reforms. Although the Chinese leaders tried hard to assure outsiders that there was no change in China's policy

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towards reform, foreign businessmen, especially those from the West, found the situation in post-Tiananmen China disagreeable. They tended to be rather sceptical about China's assurances and were worried about the political uncertainties in China.

The Chinese would evidently like to restore economic activity as soon as possible. They have also realized the importance of having friendly relations with neighbouring countries in order to ensure a stable and peaceful environment for China's four modernizations. This desire may provide more opportunities for Southeast Asian states, especially the ASEAN members, for business ventures in China. While there are always risks involved and problems of corruption, bureaucratism, and incoordination between Beijing and local authorities (and others which will not disappear overnight in China), it seems that the Chinese are eager to solicit outside support from Asian countries. The major reason is China's relatively more limited choice because of its problems with the Western countries after the killings in Tiananmen. The United States, the European Community, and Australia, in particular, had been appalled by the killings. Influenced by their liberal democratic values and interest in human rights and, perhaps, egged on by the vivid reports about the incident in the media, they had imposed economic sanctions and stopped high-level talks and military exchanges with China. Even Japan, which had considerable economic dealings with China, had been dragged in and joined the Western chorus in condemning China, although it was not as concerned about human rights and democracy as the others. What really worried the Japanese was the adverse effects of the Tiananmen incident in advancing their economic interests in China.

The states of Southeast Asia, on the other hand, did not take any action which was considered to be interference in China's domestic politics, although they might have disagreed with the way that the Beijing authorities dealt with the demonstrations. On the whole, the reactions from the Southeast Asian states were more "rational", especially when compared with that from the West, so that Sino–Southeast Asian relations were not adversely affected. In fact, Sino–Southeast Asian relations were greatly improved after the Tiananmen incident, as will be shown later. Consequently, a prompt and pragmatic sizing up of the situation in China may give rise to new business opportunities for Southeast Asians.

It should be noted that the Taiwanese were quick to resume business with China and they took advantage of the lull in economic activity in China, shortly after the 4 June incident, by increasing their trade with, and investments in, the mainland.[39] For political and economic reasons, the South Koreans were also shrewd enough to continue their activities in China. Even in the case of Japan, which had joined other industrialized nations

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in imposing sanctions on China, it was not slow in re-examining the situation there. Japan did stop its economic assistance to China and advised its people not to go to China immediately after the June incident. It also felt that it should join the industrialized countries in criticizing the Chinese. But behind all this public rhetorical firmness against the Chinese lay a more sophisticated and less stiff Japanese approach. As it turned out, the Japanese were also relatively quick to return to China to conduct business. In fact, as early as October 1989, a group of prominent Japanese leaders visited Beijing and it was made known that Tokyo would continue to have economic co-operation with Beijing, if there was stability in China.[40]

As for the Western countries, notably the United States, it could be seen that their sanctions against China were somewhat half-hearted. Thus, despite all the American condemnations and actions against the Chinese authorities, it could be discerned that there was still a streak of realism in the Bush Administration in that it did not want to hurt long-term strategic interests and end economic co-operation with China, thus damaging China's ongoing reforms. Washington still wanted to have channels of communications open with Beijing. With more contacts between officials of China, the United States and other Western countries, there may be cracks in the united front of those industrialized countries maintaining sanctions against China. The Chinese, it seems, while rejecting what they considered to be interference in their internal affairs by those industrialized countries, did not fail to see that contacts, political, economic or otherwise, between Beijing and these countries would be very useful and that efforts should be made to resume such ties as soon as possible. As a result, Beijing has relaxed its firm grip on the dissidents partly to appease the West. Notably, martial law was lifted in parts of Beijing in January 1990; dissidents were released in batches; and Fang Lizhi and his wife were allowed to leave China in June 1990. Last but not least, relatively lenient sentences (by Chinese standards) were meted out to quite a number of the leaders of the pro-democracy movement, in trials conducted in Beijing.

With the passage of time, it seems that Western resolve to pressurize Beijing into respecting human rights and liberal democracy has been diluted. Thus, Washington renewed China's most-favoured nation status for another year in May 1990. The European Community also decided to lift sanctions against Beijing in October 1990, although its ban on arms sales and military co-operation remained. A gradual resumption of aid and loans from the West to Beijing and renewed Western economic interest in China was also evident. Whatever Southeast Asian interests may be in China, they will in time probably have to face more competition from the West again. In addition, Southeast Asian states will have to compete with

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China in getting aid, loans, investment and markets for similar products. However, Sino–Southeast Asian relations, which could provide a more conducive environment for Southeast Asian interests in China, have developed amicably despite the Tiananmen incident, as noted earlier.

Whilst it is beyond the purview of this article to deal with China's foreign policy changes since the 4 June incident, it can be noted that because of the problems with the West and the reservations about the changes or reforms in the Soviet Union and Eastern Europe, Southeast Asia has been given comparatively more significance in Beijing's overall policy towards the (so-called) Third World. After all, the ASEAN states, though not necessarily condoning what the Chinese had done to dissidents, took the view that the bloodletting in China was Beijing's internal affair and that it was inappropriate and unproductive for them to tell China what to do about its internal problems. As a whole, the ASEAN states did not really want to endanger their relationship with Beijing. Ostensibly, the 4 June incident in China did not stall Indonesia's discussion with China on the resumption of diplomatic ties between the two countries. President Soeharto even congratulated China on the latter's national day in October 1989,[41] In addition, the then Thai Prime Minister, Chatichai Choonhavan, visited China shortly after the 4 June incident to seek Chinese support for the resolution of the Cambodian conflict.

Apparently, Beijing was also willing to take conciliatory moves to accommodate the interests of ASEAN and, for that matter, the whole of Southeast Asia, in view of its need to have more friends in the international community. Among other things, these were demonstrated by Beijing's moves in the United Nations Security Council; Sino-Soviet talks; and improvements in Sino–Vietnamese relations. Even in the case of the conflicts in the South China Sea, China, as made known by Li Peng, was willing to put aside the sovereignty issue and co-operate with the concerned Southeast Asian countries to develop the resources around the Spratly islands.[42] By this move, Beijing gave clear indication that it did not really want to strain its relations with the Southeast Asian states, especially those in ASEAN. Although there is still a lingering fear about what Beijing will eventually do with its enhanced naval presence in the South China Sea (given the fact that China had used force in 1974 and 1988 to sustain its claims to parts of the area) it was clear that Beijing would like to concentrate on co-operative ventures so as to promote goodwill between China and the countries of Southeast Asia.

Despite the fact that there may be other difficulties in Sino–Southeast Asian relations, notably China's residual relations with the ethnic Chinese and local communists, it seems that both China and the states in the region do not see these difficulties as major obstacles to the improvement of

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Sino–ASEAN relations. Diplomatic ties between China and Indonesia were finally resumed in August 1990, and this was followed by the establishment of formal ties between China and Singapore in October 1990. There were also numerous occasions on which Chinese and ASEAN leaders and officials visited one another. These included two well-publicized trips by Premier Li Peng to primarily ASEAN states in 1990, one to Indonesia, Singapore and Thailand (culminating in the resumption of diplomatic ties between China and Indonesia and the establishment of formal ties between China and Singapore later on) and another one to Malaysia, the Philippines, Laos and Sri Lanka. The heads of some ASEAN governments, Prime Minister Chatichai Choonhavan, Prime Minister Lee Kuan Yew and President Soeharto visited China after the 4 June incident. While Prime Ministers Chatichai and Lee were familiar guests of the Chinese government, President Soeharto's visit was a milestone in Sino–Indonesian relations, or, for that matter, Sino–Southeast Asian relations, as that was the first visit by an Indonesian leader to China since the two countries renewed ties in August 1990 after a 23-year break. Even in the case of Indochina, it was known that secret talks were held in China between Chinese and Vietnamese leaders in September 1990 to work out their differences, and that a memorandum of understanding was signed between the two sides.[43] Although there are still problems relating to the improvement of Sino–Vietnamese relations, it seems that Hanoi would like to ease the tension with Beijing, albeit gradually.

While there are many factors shaping present Sino–Southeast Asian relations in the post-cold war era, it seems that the desire of Beijing to improve its image, which took a beating after the quelling of demonstrators in June 1989, contributed to its desire to place greater emphasis on its relations with Southeast Asia. Now that all the ASEAN states, except Brunei, have formal ties with Beijing, it seems that a qualitative change (with more channels for communications and consultations), first started in the 1970s after the Sino–American *détente*, has been established. This compares favourably with the tension in the 1950s and 1960s. Presumably, with formal Sino–ASEAN ties in place and with more meetings between Chinese and ASEAN leaders, they could promote a more conducive environment for further interactions, economic or otherwise, between the two sides.

Concluding Observations

With the plan to spend three years or more in readjusting the economy in the early 1990s, China is set for a period of restrained growth. The lessons of an overheated economy with high inflation and other economic

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problems have probably taught the Chinese not to make the same mistake. None the less, there were also suggestions that the reforms (meaning primarily economic reforms) and the "open door" policy should be *accelerated*.[44] These signs from China to speed up reforms signal that the ideas of Zhao and his associates, as expressed at the Thirteenth Party Congress may not go unheeded. However, there were definitely conflicting and contradictory signs and remarks emphasizing socialist values, ideology and caution about future economic reforms. It should be noted, however, that even conservative reformers in China may sometimes talk about the need for having more liberal economic policies. Thus, Li Peng, in contrast to his more conservative and cautious speeches elsewhere, surprised some foreign businessmen in October 1990 by promising major changes in the economy, including the expansion of China's rural and urban private sector and the market economy, where price would be determined by demand and supply and not by the state.[45] This may reflect the ongoing debate among the top leaders on reforms in China. In addition, it depends on the area and the kind of audience that the Chinese leaders are facing.

While it is difficult to generalize about the situation in China, it is appropriate to note that with regard to internal affairs the present Chinese leaders will adhere to socialism the Chinese way. Western political values, "bourgeois democracy", and other related political reforms, will be brushed aside. In politics, the CCP will not make any concessions as it is fully aware of the dangers and challenges to its power, especially after the Tiananmen incident. However, in the area of economics, its continuing interest in having reform will lead the Chinese leaders, some maybe grudgingly, to admit that there is a need to relax their firm grip on the economy: it being clear, of course, that the Chinese leaders are primarily experienced in central planning. Thus, in the use of market forces, they would still be groping in the dark. Accordingly, there may be selected relaxation and some *ad hoc* liberalization of the economy so as to push China ahead in the four modernizations. The leadership would like to exercise caution in the introduction of market forces after the Tiananmen incident, so that there will not be too much disruption to the stability of China. It remains to be seen if the limited liberal economic measures will be eventually increased, thus forcing the Chinese leaders to change their strategy and outlook on politics and development.

For foreign interests in China, it is clear that there is general agreement at the top that China needs friends and, more importantly, aid, investment, trade and loans. A stiff, ideological stand will certainly not help. Consequently, there will be a more relaxed, and even accommodative and liberal policy towards foreign economic interests in China. Notably, the continuation and even acceleration of an "open door" policy are in the

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minds of the Chinese leaders. Diplomacy will also be used, as demonstrated by the co-operative stand taken by China in the Gulf crisis and moves towards the resolution of the conflict in Cambodia. Moreover, occasions such as the Asian Games will be used to befriend other states. Certainly, China is well aware of the importance of joining the world, especially the Asia–Pacific region, to shore up its own development. In the final analysis, the Chinese leadership should realize that it is through economic performance that it will gain more support from its people, and establish China as a force in the world community in the post-cold war era.

NOTES

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1. See, for example, Ian Wilson and You Ji, "Leadership by 'Lines': China's Unresolved Succession", *Problems of Communism* (January–February 1990), pp. 28–44.
2. *Oriental Daily News*, 15 July 1990.
3. *Beijing Review*, 3–9 July 1989, pp. 9–10.
4. *Oriental Daily News*, 15 July 1990.
5. Ibid.
6. *Beijing Review*, 20–26 November 1989, p. 5.
7. *Beijing Review*, 10–16 July 1989, p. 17.
8. For details, see *Far Eastern Economic Review*, 12 April 1990, p. 19.
9. For details, see *Far Eastern Economic Review*, 14 June 1990, p. 32.
10. *Cheng Ming*, June 1990, p. 17.
11. *Mainland China Studies*, May 1990, p. 7; and *Far Eastern Economic Review*, 5 April 1990, p. 28.
12. *Beijing Review*, 7–13 January 1991, p. 28.
13. *Mainland China Studies*, May 1990, p. 8.
14. For details of these changes, see *The Nineties*, August 1990, pp. 64–65; and September 1990, pp. 22–24.
15. *Far Eastern Economic Review*, 10 January 1991, p. 11.
16. For details, see, for example, *The Nineties*, August 1990, pp. 64; and September 1990, pp. 22–24; *Far Eastern Economic Review*, 10 January 1991, pp. 10–11; and *Lianhe Zaobao*, 2 January 1991.
17. See, for example, *Beijing Review*, 6–12 November 1989, p. 4.
18. *Studies on Chinese Communism*, 15 September 1989, p. 28. These were the official figures. The real increase in the consumer price index could be higher.

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19. *Beijing Review*, 2–8 November 1987, p. 6.
20. Extracted from *Studies on Chinese Communism*, 15 October 1989, pp. 4–5.
21. For these criticisms in the Thirteenth Party Congress, see *Renmin Ribao*, 26 November 1987; and *Beijing Review*, 2–8 November 1987, p. 4.
22. *Beijing Review*, 20–26 November 1989, p. 16.
23. *Beijing Review*, 23–29 April 1990, Documents, p. 1.
24. *Beijing Review*, 26 March–1 April 1990, p. 26; and 16–22 April 1990, Documents, p. III.
25. *Studies on Chinese Communism*, 15 April 1990, p. 5.
26. Ibid. Again, these were official figures. The actual rates could be higher.
27. *Beijing Review*, 16–22 April 1990, Documents, pp. VII–XIX.
28. *Studies on Chinese Communism*, 15 April 1990, p. 35 and p. 68.
29. *Beijing Review*, 7–13 January 1991, p. 5.
30. *Beijing Review*, 14–20 January 1991, pp. 13–14.
31. Ibid.
32. *Beijing Review*, 16–22 April 1990, Documents, p. XIV.
33. Ibid., p. VII (emphasis added).
34. *Beijing Review*, 7–13 January 1991, p. 28.
35. *Straits Times* (Singapore), 30 January 1991.
36. For details, see *Beijing Review*, 7–13 January 1991, pp. 27–29.
37. *Beijing Review*, 16–22 April 1990, Documents, p. XVII.
38. The Chinese have set for themselves the task of quadrupling China's 1980 GNP by the end of this century. According to Li Peng, China must sustain an annual economic growth rate of about 5.4 per cent in the 1990s to meet the target. See ibid., p. VI.
39. For more analysis on Taiwan's trade with and investment in the People's Republic of China after the Tiananmen incident, see Lee Lai To, *The Reunification of China — PRC-Taiwan Relations in Flux* (New York: Praeger, 1991), pp. 157–58.
40. *Lianhe Zaobao*, 21 September 1989.
41. *Straits Times* (Singapore), 4 October 1989.
42. *Far Eastern Economic Review*, 30 August 1990, p. 11.
43. *Straits Times* (Singapore), 21 September 1990.
44. *Lianhe Zaobao*, 23 October 1990. See also Lee Kuan Yew's remarks at the end of his fifth trip to China, as reported in *Straits Times* (Singapore), 25 October 1990.
45. *Straits Times* (Singapore), 25 October 1990.

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Malaysian Defence Policy: Strategy versus Structure*

RICHARD STUBBS

Malaysia is facing a changing security environment. The traditional insurgency and external land-based threats have given way, in the last few years, to predominantly maritime-based threats to the country's security. This change in the source of the dangers that the Malaysian Armed Forces must confront clearly necessitates a change in strategy. However, both economic and institutional constraints will make it more difficult than some analysts have anticipated to make the changes in Malaysia's force structure that are required for a shift in strategy.

For Malaysian defence policy, the 1990s will be a period of transition. Like the other members of the Association of Southeast Asian Nations (ASEAN) — Brunei, Indonesia, the Philippines, Singapore and Thailand — and indeed like many other Third World countries, Malaysia has faced two threats to its security.[1] First, it has had to deal with internal threats, from both the Communist Party of Malaya (CPM) and less coherent groups rooted in the country's ethnic tensions. Secondly, it has had to deal with possible external threats. The primary cause of concern has been the situation in Indochina but there has always been the remote, but ever present, possibility of problems arising from the fact that Malaysia shares a border with each of the other five members of ASEAN.

Over the past two decades or so, each of the ASEAN members has dealt with this mix of threats in different ways. The Philippines has tended to concentrate almost exclusively on the internal threat, while Singapore appears to have been much more preoccupied than other ASEAN members with the possibility of an external threat. For its part, Malaysia has been

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more concerned with the internal threat, and while not totally ignoring the need to develop a capacity to meet an external threat, has sought to build up its counter-insurgency and more generally its internal security capabilities. However, events of the last few years and the prospects for the future indicate that pressures have been mounting for this emphasis to change. The purpose of this article is to examine these pressures and to analyse the extent to which the structure of Malaysia's past and current defence postures will allow for future changes in strategy.

The Changing Regional Security Environment

Recent events in Southeast Asia have set in train significant changes to the region's security environment. First, the main contextual change has been the shift in the relative capabilities and intentions of the major powers with an interest in Southeast Asia. The traditional overarching great power structure which underpinned and ordered relationships in the region has started to break down. The preoccupation of the United States with the Philippine bases issue and the distinct possibility that over the long term it will not play the lead role in the region's security as it had in the past must be taken into account by defence planners in all the ASEAN states. Similarly, Soviet intentions, which appear to include a withdrawal from Cam Ranh Bay naval facilities by 1992 as part of an intensified political and diplomatic offensive in the region, have also to be taken into consideration. But perhaps of most consequence for the Malaysians has been the buildup during the last decade or so of the Chinese navy's South Sea fleet. The number of surface vessels deployed in the region by the Chinese navy has risen from 20 to 70 in a relatively short period of time. When this deployment is combined with the fact that China has the third largest submarine force in the world it is no wonder that, despite assurances from Beijing, ASEAN leaders, including the Malaysians, have become somewhat nervous about China's plans for its future role in the region. Moreover, in the long term, all the ASEAN countries will have to contend with the possibility of Japan extending its self-imposed operating limits for its armed forces, particularly in terms of defending its vital sea links to the Middle East and Europe. In addition, there is always the question of how India will deploy its expanding naval capability, especially with regard to the Straits of Malacca.[2]

Secondly, two events in the latter half of 1989 highlighted the extent to which the traditional threats to Malaysia's security have diminished in the last few years. The withdrawal of most of the Vietnamese troops from Cambodia in September 1989 has markedly reduced the threat to Malaysia of an expansionist Vietnam. Fears that the Vietnamese might repeat the

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Japanese feat of World War II and launch a southward strike into Peninsular Malaysia have obviously proved to be unfounded. In this sense, the possibility of Malaysia becoming embroiled in a land-based conventional conflict has receded considerably. The other event was the 2 December 1989 signing in southern Thailand of separate agreements between the CPM and the Malaysian Government, and the CPM and the Thai Government, which formally ended the 41-year-old communist armed struggle against the Malaysian Government.[3] The CPM leadership agreed that they would destroy all their weapons and ammunition. For their part, the Malaysian Government agreed, subject to the application of Malaysia's laws when appropriate and after they had gone through certain procedures, to allow CPM members who wish to do so to integrate into Malaysian society and even eventually to enter domestic politics.[4] The communist guerrilla threat in Sarawak was similarly expunged when, in 1990, the North Kalimantan Communist Party signed an agreement with the government to end hostilities. These events clearly signal the close of an era in which the combination of jungle warfare and counter-insurgency was the top priority for Malaysian defence planners. Indeed, it appeared that the land-based threats had decreased markedly by the end of 1990.

Thirdly, and in contrast to the previous point, it appears that maritime-based threats to Malaysia's security have gained considerably in significance over the last few years. The emergence of the Spratly Islands as a potential regional flashpoint highlights this trend. Situated in the South China Sea and covering a wide area about 200 miles northwest of Sabah in East Malaysia, the Spratly Islands consist of 33 small islands — the largest of which, Itu Aba, is about 90 acres — and more than 400 islets, reefs and atolls. Part or the whole of the Spratlys is claimed by China, Taiwan, Vietnam, the Philippines and Malaysia. Malaysia's claim is the most recent; it first appeared in a map of its continental shelf gazetted in 1979. The Foreign Ministry has argued that it has sovereignty over the "islands and atolls south of the Spratlys".[5] These include the islands of Commodore Reef (also called Terumbu Laksamana or Rizal Reef as the Philippines calls it), Amboyna Cay (Pulau Kecil Amboyna or An Bang as the Vietnamese call it) and Marivales Reef (Terumbu Mantanani); the rocks on Swallow Reef (Terumbu Layang-Layang), Louisa Reef (Terumbu Samarang Barat Kecil), Royal Charlotte Reef (Terumbu Samarang Barat Besar), Ardasier Reef (Terumbu Ubi), Dulles Reef (Terumbu Laya) and Barque Canada Reef (Terumbu Perahu), and the low-water sandbanks of James Shoal.[6]

The crux of the problem, of course, is that none of the governments with claims on the islands, islets, reefs and sandy cays of the Spratly archipelago accepts the claims of the others. The militarization of the

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Spratlys has further fuelled the mounting tension. Amboyna Cay is but one of a number of islands and reefs controlled by Vietnamese troops. The Philippines has troops stationed on islands in the north-eastern part of the Spratly group which it calls the Kalayaan (Freedom) Islands. China has begun the construction of a permanent port and in recent years has had up to twenty warships patrolling the Spratlys at any one time. Taiwan has garrisoned Itu Aba, and the Malaysians have occupied Marivales Reef, Swallow Reef and Ardasier Reef at various times, putting up a block of buildings and constructing a small helicopter landing pad.[7]

For Malaysia, the Spratlys present a twofold problem. Fisheries and possible undersea deposits of hydrocarbons and phosphates are a significant aspect of the area's attraction.[8] Defending Malaysia's proclaimed jurisdictional rights and its stake in these resources is clearly very important. For example, in 1988 Malaysia tangled diplomatically with the Philippines after Filipino fishing boats were seized and forty-nine fishermen arrested by Malaysia in the disputed waters off Commodore Reef. Equally significant is the concern that any fighting that may take place in the archipelago — for instance, between China and Vietnam — could escalate and involve others with claims to the area. Armed clashes between Vietnam and China took place during 1988, and in May 1989 China took over an atoll claimed by the Vietnamese, thus prompting Malaysia into giving the Spratlys a higher priority in its defence plans.[9]

The establishment of Exclusive Economic Zones (EEZ) by the countries of the region, particularly those which border the South China Sea, has created overlapping claims which require surveillance patrols by the countries involved. This has further served to highlight the growing significance of maritime-based threats to Malaysia's security. By any measure, Malaysia must be considered a maritime nation. It has 4,800 kilometres of coastline, territorial waters which cover an area of nearly 600,000 square kilometres, and an EEZ which makes the country's maritime area larger than its land mass.[10] One estimate is that twelve of the fifteen possible maritime boundaries in the South China Sea, excluding the Gulf of Thailand, are in dispute.[11] In order to enforce the eighteen national laws — including the Exclusive Economic Zone Act and the Fisheries Act — which apply to Malaysia's Territorial Waters and EEZ, the navy will have to acquire more sophisticated vessels capable of patrolling for longer periods and withstanding all types of sea conditions.[12] Dealing with pirates, smugglers and boatloads of illegal immigrants not just from Vietnam but also from Indonesia, the Philippines, Thailand and, most recently, Sri Lanka; guarding offshore oil and gas fields; and warding off the encroachment of foreign fishing vessels will all place great demands on the Royal Malaysian Navy in the future.[13]

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In addition, growing concern over the Spratlys and the problems of coping with Malaysia's expanded maritime responsibilities have underscored the importance to the country of properly securing the neighbouring sea lanes of communication, on which Malaysia's growing international trade relies. These sea lanes include the Straits of Malacca, one of the world's major sea lanes[14] in which Malaysia's interests in terms of fishing, pollution control and possible hydrocarbon and tin deposits have to be safeguarded. Similarly, Malaysia has to maintain the security of the sea lanes of communication between Peninsular Malaysia and Sabah and Sarawak. The integrity of the country requires reliable communication between its two distant parts, especially if separatism should become a significant issue in the Borneo states.

Overall, then, the changes that are taking place in Southeast Asia's security environment strongly suggest that Malaysia will have to put even more emphasis than in the past on its capacity to survey and secure its maritime boundaries and to defend itself against maritime-based threats to the integrity of its sovereignty. Indeed, this general point has been made by a number of analysts. Sheldon Simon, in a recent article, quotes approvingly an argument developed by Muthiah Alagappa that the ASEAN states could deal with the problems brewing in the South China Sea and the difficulties of a forced relocation of the U.S. bases in the Philippines by building up their own maritime capabilities over time.[15] Although such a course of events is entirely possible, it may take a long time to materialize. The ASEAN states, including Malaysia, may have a more limited ability to develop their own naval capabilities than analysts anticipate. As such, the constraints on such a marked shift in defence strategy should not be understimated.

The Roots of Malaysian Defence Policy

New defence strategies require new defence structures. Hence, in order to appreciate fully the constraints on the Malaysian Government's ability to change its defence strategy so as to take into account the increased need to meet possible maritime-based threats to the country's security, it is important to examine the history and current state of Malaysia's defence structure.

Since independence in 1957 Malaysia's defence establishment has been oriented almost exclusively towards confronting land-based threats to the country's security, especially in countering the threat of a guerrilla war mounted by the CPM. The roots of Malaysia's concentration on counter-insurgency are to be found in the guerrilla war which engulfed the country from 1948 to 1960. Commonly called the Emergency, the fighting pitted

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the CPM initially against the British colonial administration, and later, after 1957, the newly independent Government of Malaya.[16] Although the British and other Commonwealth countries provided a good portion of the armed forces deployed during the Emergency, the Malayan Armed Forces were also expanded rapidly. The two battalions of the Malay Regiment that had been formed prior to World War II, and which had been revived in the post-war period, were strengthened as the Emergency progressed, so that by 1953 there were seven battalions. Moreover, as a result of the requirements of the Emergency from 1952 onwards, non-Malays were recruited into a newly-established Federation Regiment and some of the specialist units, such as Signals and Engineers.[17] This Emergency-induced growth in the armed forces meant that the heart of the military in Malaya, and later in Malaysia, had its origins in fighting a counter-insurgency campaign.

Although in the thirty years since the Emergency a number of events have highlighted the need for Malaysia to defend itself against possible and actual external threats, overall the Malaysian Armed Forces' counter-insurgency role has continued to be at the centre of Malaysia's defence policy. External threats during the 1960s, such as Indonesia's declaration of "Confrontation" and the Philippines' territorial claim to Sabah, were dealt with on the ground by invoking the Anglo-Malaysian Defence Agreement and by deploying Malaysian forces. The latter's counter-insurgency training was, on the whole, well suited to combatting the Indonesian strategy of employing raiding parties to penetrate Malaysian territory and harass border communities.

During the 1970s and 1980s the threat posed by the unfolding of events in Indochina did produce a realization of the need to develop an expertise and capability in conventional warfare. Certainly, defence spending rose dramatically in the wake of Vietnam's invasion of Cambodia.[18] However, it must also be noted that the threat posed by the fall of Saigon in April 1975 and the invasion of Cambodia in December 1978 was also interpreted in Malaysia in terms of the boost it might give to the CPM and, thus, the problems it could create for internal security. For example, in 1975 one Malaysian army officer, reflecting on the huge arsenal that the Americans had left behind in Vietnam, noted that even with arms left over from World War II the communists had proved to be tough opponents: "The thought of communists armed with M-16 rifles and other American weapons gives me the shivers".[19]

The armed forces' counter-insurgency role has continued to be emphasized despite the rise of external threats. This has been because the most immediate challenge to the integrity of the Malaysian Government has come from within the country. Most importantly, although defeated

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in the Emergency, the CPM leaders and the remnants of their guerrilla army have remained in the Thai–Malaysian border region and have periodically made attempts to re-establish a presence within the peninsula. For the Malaysian Government, the race riots of May 1969 were doubly troubling because of the opportunities they appeared to give to the communists to mount a come-back. Indeed, during the early and mid-1970s there was a recrudescence of communist activities with a number of co-ordinated actions and attacks taking place in urban centres.[20] Despite the fact that from the late 1970s onwards the communists, said to number about 2,000 in the early 1980s, were not as active in the peninsula, the government considered their presence a major potential threat to Malaysian society. Similarly, the North Kalimantan Communist Party in Sarawak was a threat in the early 1970s and, although a series of defections rendered the guerrilla organization relatively ineffective, they, too, remained a potential threat. Of course, since 1969 the Malaysian Government has also been concerned that it may have to deal with another outbreak of ethnic violence, an issue which underscores the importance of internal security.

This brief history of the threats to Malaysia's security serves to highlight two aspects of Malaysian defence policy which need to be kept in mind when analysing current trends. First, the Malaysian Armed Forces have developed a counter-insurgency and jungle warfare capability which, in the words of one analyst, is "second to none in South-East Asia (if not the world)".[21] Secondly, nearly 80 per cent of the roughly 115,000-strong Malaysian Armed Forces are in the Army, which has clearly taken the lead role in the counter-insurgency strategy. The approximately 12,500-strong Navy and the 12,000-strong Air Force have generally played a supporting role in jungle warfare operations. In other words, the Army has long dominated the Malaysian Armed Forces. While there are indications that this situation is changing and that the senior members of the Navy and the Air Force are gaining in influence, these two factors together suggest that the relatively entrenched and influential position of the Army will make any rapid adaptation to the new maritime-based security threats more difficult than some analysts have allowed.

The Constraints on a Strategy Shift

There are both economic and institutional constraints on any shift in strategy that requires an enlarged naval capability, one which gives Malaysia a force structure which may truly be called "blue water" as opposed to a coastal defence force[22] and which would more generally give Malaysia the capacity to confront successfully any maritime-based threats to its security.

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The economic constraints are fairly obvious. Developing a "blue water" capability is an expensive proposition as is expanding the Air Force's ability to patrol and, when necessary, to control neighbouring skies. Not only are vessels, aircraft and weapon systems costly but so is the training required of those who must operate the sophisticated equipment. Muthiah Alagappa has made the point that "economic affordability" is a key ingredient in defence spending,[23] and Tim Huxley has shown that defence spending among the ASEAN states varies according to per capita income,[24] with the richest countries, such as Brunei and Singapore, spending the most and the poorest, the Philippines and Indonesia, the least on a per capita basis. While Malaysia is relatively rich in Third World terms, with a per capita income of US$1,875 in 1988, it will still be difficult to divert the necessary funds into defence, to build up a credible "blue water" naval capability. The recession of 1985–86 is still fresh in the memories of government leaders and they will not quickly forget the financial problems created by overstretching the national budget. Moreover, Malaysia's Prime Minister, Datuk Seri Dr Mahathir Mohamad, had emphasized in the past that "national security is inseparable from political stability, economic success and social harmony" and that "the first line of defence lies in [a country's] national resilience".[25] Hence, putting substantial amounts of extra money into defence spending at the expense of domestic programmes, especially if there is a possibility of rising ethnic tensions or Malay dissatisfaction with the government, is not very likely. From the point of view of funding, then, adapting to the new security situation in the ASEAN region will be a very gradual process for Malaysia.

Secondly, the institutional constraints revolve around the difficulty of overcoming administrative inertia and inter-service rivalry in order to allow the development of a force structure that can implement a maritime-oriented strategy. It should be noted that the Malaysian Armed Forces are extremely professional and remarkably apolitical. This means that they are under the control of the Prime Minister, the Cabinet and the bureaucracy, especially the Ministry of Defence. Indeed, the Prime Minister is particularly influential because he is not only chairman of the National Security Council but also Minister of Home Affairs, a position which gives him control over internal security matters. However, this also means that domestic political considerations and bureaucratic politics can play a part in setting defence policy. As one analyst has argued, security decision-making can be "highly political and irrational since the process may reflect the power and interests of actors who wish to affect the process. The voices at security meetings are largely those of civilians — politicans and bureaucrats — who may not be savvy about security and defence

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matters".[26] For example, it is clear that the politicians would be reluctant to see the ability of the Army to support the police in battling racial clashes diminished in any way. The support the Malay-dominated Armed Forces gave to the police during the race riots of May 1969 was an important factor in holding ethnic violence in check. The Army has also been a significant source of employment for the Malays, and again the politicians may be reluctant to see the size of the Army reduced in order to put more money into the Navy or the Air Force.

But, of course, institutional politics are not confined to the politicians and bureaucrats overseeing the military, as within the Malaysian Armed Forces itself there are interests to be defended. The dominance of the Army is likely to continue and it may even be that the Army's counter-insurgency role will not disappear altogether despite recent events. There will undoubtedly be pressure to maintain a jungle warfare capability if only because, as Tan Sri C.C. Too, the former head of the Psychological Warfare Section of the Malaysian Government has argued, it is possible, however remote it may be, that the CPM will decide some time in the future that they should return to the strategy of armed struggle.[27] Moreover, given recent concerns over the rise of ethnic tensions and of possible separatist tendencies in Sabah and Sarawak, the Army can still claim to have a role to play in internal security. In this respect, the announcement in early 1991 that the Malaysian Armed Forces will form a fully mechanized rapid deployment force to counter threats within the country and protect Malaysian interests abroad is indicative of the continuing concerns about threats to internal security.[28] Hence, despite the general recognition that control of air and sea space is of the highest priority, inter-service politics, the reluctance of the Army to see its share of the defence budget cut too drastically, and lingering doubts about the extent to which internal threats have been totally eliminated may limit the amount spent on weapons systems designed to counter maritime-based threats to Malaysia's security.

The argument that economic constraints and institutional hindrances make it difficult for Malaysia to change its defence strategy so as to take into account recent shifts in the regional strategic environment is reinforced by the fate of the Memorandum of Understanding (MOU) which was signed by Dr Mahathir and former British Prime Minister, Mrs Margaret Thatcher, in September 1988. The details of the MOU have not been made public but it is generally understood that it set out a shopping list of what the Malaysian Armed Forces would like to acquire over the next few years. Originally thought to be among those items to be given priority were: eight British Aerospace (BAe) Tornado fighters with an option for four more, 12 BAe Rapier SAM (surface-to-air missiles) batteries, 48 Shorts

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Javelin SAM batteries, one ex-Royal Navy Oberon-class submarine, mine counter-measure vessels, Martelo mobile air-defence radars and other additional electronic equipment.[29] However, in August 1990 provisional orders for the two main weapon systems which would have allowed Malaysia to expand its maritime security capability, the Tornados and the Oberon-class submarine, were cancelled. Cost appears to have been the major reason,[30] although the endless and often contradictory statements put out by senior defence officials suggest that institutional politics also had a role to play.[31]

In December 1990, the Malaysian Government finally came to an agreement with British Aerospace to buy ten jets of the Hawk 100 series and eighteen of the 200 series for a reported US$740 million. The agreement makes provision for the purchase of related equipment, ammunition, training, technical services, ground support equipment and spares as well as the transfer of technology to local defence industries.[32] Clearly, this is an important step in upgrading Malaysia's force capability, although the first of the Hawks will not arrive until 1993 and the implementation of some aspects of the agreement appear to be spread over a twenty-year period. The actual deployment of the Hawks will, of course, determine the extent to which they will contribute to extending Malaysia's capability to deal with external threats to the country's security.

On the naval side there is still a good deal of uncertainty. Reports of negotiations and possible purchases, including that of diesel-electric submarines, circulate almost continuously.[33] Indeed, the fact that the Navy had not signed any contracts prompted one analyst to note in the middle of 1990 that "the RMN's expansion has only been *on paper* with the entire world's shipyards and builders of submarines, warships, logistics ships making countless presentations on their products, capability, etc".[34]

Besides the Hawks, by the end of 1990 the only other confirmed purchases under the MOU were the two Marconi Martello mobile air-defence radars and command, control, communications and intelligence systems, the first of which will be delivered in 1992 and will be part of the Malaysian air defence ground equipment (MADGE). While these systems are important ingredients in Malaysia's newly emerging defence capability, by themselves they will not bolster significantly the Malaysian Armed Forces' capability to look after its maritime responsibilities.

By contrast, the Army has done reasonably well recently. The purchase — as a Euro-purchase outside the MOU — of twenty Royal Ordnance 105mm medium artillery pieces and thirty FH-70 towed 155mm guns, as well as the construction of a number of major new army bases underscores the Army's continuing central role in the defence of Malaysia.[35] Indeed, the fact that Malaysia does not have a fully fleshed out defence policy but rather a series of policy statements suggests that although lip-service has

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been given to expanding the role of the Navy and the Air Force, the full implementation of such a change in direction still has some way to go.

Finally, it should be pointed out that one way for Malaysia to enhance its maritime security is through some form of co-operative arrangement with its island-Southeast Asian neighbours, notably Singapore and Indonesia. Malaysia has developed bilateral arrangements with Indonesia which have worked well especially in terms of the exchange of intelligence information and joint operations along their common borders. With the recent revival of the Five-Power Defence Arrangements — which brings together Australia, Malaysia, New Zealand, Singapore and the United Kingdom — Malaysia has an institutional mechanism through which to develop common defence strategies with Singapore. Interestingly, there have been a number of military exercises in which the Malaysian Armed Forces have participated alongside the armed forces of Indonesia and, in 1989 for the first time, Singapore. Yet, these security linkages are a long way from the creation of a defence arrangement which would allow for greater operational co-operation so that a coherent maritime strategy which confronts the threats to the region could be put in place. Although in the case of Singapore, the exercises were a major breakthrough as they involved the infantry of both countries, hopes of continued co-operation were dealt a severe blow in 1990 by the souring of relations between the two governments in the wake of a number of incidents, including the arrest of eight Malaysians and two Singaporeans by the Kuala Lumpur authorities for allegedly spying for Singapore. Just as the creation of a new defence structure which can be used to implement a new defence strategy takes time, so does the emergence of any multinational defence structure which could promote regional defence. All of which serves to underline the general argument that in terms of national defence, structures always act as a constraint on changes in strategy.

NOTES

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1. See the discussion in Robert O. Tilman, *Southeast Asia and the Enemy Beyond: ASEAN Perspectives of External Threat* (Boulder: Westview Press, 1987), pp. 148–66.
2. Sheldon W. Simon, "ASEAN Security in the 1990s", *Asian Survey* 29 (June 1989), pp. 594–95; and *Far Eastern Economic Review*, 27 July 1989, pp. 16–18.
3. *Far Eastern Economic Review*, 14 December 1989, pp. 36–37.
4. See ibid.; and *Foreign Broadcast Information Service* (*FBIS*), *Daily Report East Asia*, *FBIS-EAS-91-027*, 8 February 1991; and *FBIS-EAS-91-039*, 27 February 1991. The leader of the CPM, Chin Peng, and 300 of the 1,100 CPM members who surrendered in 1989 are reported to have applied to return to Malaysia. See ibid.; and *Bangkok Post*, 3 February 1991. The CPM remains banned.
5. *New Straits Times*, 25 February 1988.
6. *Asiaweek*, 20 May 1988; and Lee Yong Leng, "The Malaysian-Philippine Maritime Dispute", *Contemporary Southeast Asia* 11, no. 1 (June 1989): 71–72.
7. See Bradford L. Thomas, *The Spratly Islands Imbroglio: A Tangled Web of Conflict*, Working Paper (Canberra: Peace Research Centre, Australian National University, forthcoming); Simon, "ASEAN Security in the 1990s", pp. 594–96; Lee, "The Malaysian-Philippine Maritime Dispute", p. 70; Gordon Jacobs, "Islands in Dispute", *Jane's Defence Weekly*, 9 June 1990; *New Straits Times*, 14 June 1988, and 28 June 1988; and *The Star* (Malaysia), 15 June 1988.
8. Surveys undertaken by the Chinese have reportedly revealed the existence of gas and oil deposits in the continental shelf around the Spratlys. Most importantly, the surveys show "a large hydrocarbon deposit, with estimated oil reserves of 91 billion barrels, in the vicinity of James Shoal, which is just off the coast of Malaysia". See Thomas, *The Spratly Islands Imbroglio*, pp. 15 and 26. It should be pointed out that there is still some doubt about the commercial viability of the oil deposits in the area.
9. *FBIS-CHI-89-98*, 18 May 1989; and *FBIS-EAS-89-97*, Radio Hanoi.
10. Major (Retd.) R. Sachi, "The RMN's International Royal Fleet Review", *Asian Defence Journal* (May 1990), p. 19; and B.A. Hamzah, "Sea Lanes of Communication Security: A Malaysian Perspective", in *The Security of the Sea Lanes in the Asia-Pacific Region*, edited by Lau Teik Soon and Lee Lai To (Singapore: Heinemann Asia, 1988), p. 118.
11. Laksamana Pertama Ahmad Ramli, Commander of the Malaysian Maritime Enforcement Co-ordinating Centre based at Lumut, quoted in *The Star* (Malaysia), 23 June 1989.
12. Ibid.
13. Sachi, "The RMN's International Royal Fleet Review", p. 19.
14. One estimate suggests that more than 600 vessels a day ply the waters of the Straits. See Hamzah, "Sea Lanes of Communication Security", p. 120.
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19. *Financial Times* (London), 10 June 1975.
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22. See J.N. Mak, "The Royal Malaysian Navy in a Changing Maritime World: The Challenges Ahead", *Naval Forces* 11, no. 3 (1990): 65–75.
23. Muthiah Alagappa, "Malaysia", pp. 192–93.
24. Tim Huxley, "Brunei: Defending a Mini-State", in *Defence Spending in Southeast Asia*, Table 2, p. 226.
25. Quoted in Muthiah Alagappa, "Malaysia", p. 185.
26. Noraini Haji Abdullah, "Leadership in Malaysia: Security Perceptions and Policies", in *Leadership Perceptions and National Security: The Southeast Asian Experience*, edited by Mohammed Ayoob and Chai-anan Samudavanija (Singapore: Institute of Southeast Asian Studies, 1989), p. 149.
27. C.C. Too, "Malaysia's Communist threat", *Far Eastern Economic Review*, 7 December 1990.
28. Making this announcement, the Defence Minister is reported to have said: "We want the ability to send one division of troops at short notice to, for example, Sabah or Sarawak . . . The rapid deployment force will achieve this". *FBIS-EAS-91-029*, 4 February 1991.
29. See *Defence & Foreign Affairs Weekly*, 29 January–4 February 1990, p. 1. The total value of the MOU was US$1.6 billion.
30. *Defence & Foreign Affairs Weekly*, 26 March–1 April 1990, p. 5; and *Jane's Defence Weekly*, 2 June 1990, p. 1057.
31. Sachi, "The RMN's International Royal Fleet Review", p. 19.
32. *FBIS-EAS-90-237*, 10 December 1990.
33. See, for example, the report that the Malaysian Government is negotiating with a Swedish company for four submarines but is also still considering buying submarines from other sources. *FBIS-EAS-90-248*, 26 December 1990.
34. Ibid. Emphasis in the original.
35. See *Far Eastern Economic Review*, 6 October 1988; and 24 November 1988.

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Major Asian Powers and the Development of the Singaporean and Malaysian Armed Forces

DEREK DA CUNHA

This article examines the extent to which the strategically influential role of the major Asian powers — China, Japan and India — has been a factor in the development of the Singaporean and Malaysian armed forces in recent years. It looks at the subject from a historical perspective, that is, in the context of a policy continuum, and, inter alia, relies on policy statements, force structure development, and the revitalization of defence pacts to support its contention that concern about the intentions of the Chinese, Japanese and Indians has indeed played a significant role in the evolution of the two ASEAN states' armed forces.

Introduction

> As the superpowers negotiate *détente* and scale down their military presence from the region, ambitious regional powers, such as China and India may be tempted to flex their muscles more and more and move to fill the vacuum left by the superpowers. Therein lies the major danger for the ASEAN region. If not for any other reason, this potential danger posed by China and India should be enough grounds for the ASEAN countries to develop their naval power to the level where the deterrent value is enough to show would-be adversaries that they will get a 'bloody nose' and their desire-to-dominate will be a costly adventure.[1]

In an age where the dictum "might is right" has once again manifested itself in stark form, as in the U.S. invasion of both Grenada and Panama, and the Iraqi invasion of Kuwait, the determination by developing nations (Third World states, in some other parlance) to stand militarily robust

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has only been reinforced. This is a notion which has particular relevance in the Southeast Asian context, for Southeast Asia has traditionally been used as a chessboard in furthering the political and strategic moves of the great powers, a trend set to continue.

Accepting, then, the above premises, the aim of this article is to essay the responses by two ASEAN armed forces — those of Singapore and Malaysia — to the changing geopolitical complexion of the Asia–Pacific region over the last several years, occasioned by the relatively increased significance of China, Japan, and India in the Asian strategic equation.

The choice of the Singaporean and Malaysian armed forces as case studies from the ASEAN grouping is based primarily on their relevance and salience to the topic at hand. This is not to say that the armed forces of the other four ASEAN states have not been affected in some way by the changing regional strategic scene; they have, but in order to eschew repetition, and to focus on the most visible trends, Singapore and Malaysia appear to be the most appropriate choices.

The Context of a Policy Continuum, and the Relevance of Perceptions

The enhanced strategic stature of China, Japan, and India, which we have *perceived* in recent times, has partly, if not largely, been due to the relative retrenchment of Soviet and American power and influence in Asia during the same period. This has led to a continuum in policy — the old bogeyman of the Soviet Union has been replaced by three major Asian powers which, though they may not now be seen as bogeymen, have the potential to be viewed in such light in the not too distant future.

It was the intrusiveness of the Soviet Union and its "militant solidarity" with a regionally ambitious Vietnam, which provided partial impetus for some of the ASEAN states to give defence a significant place in their overall national spending priorities in the 1980s. Now, large and powerful Asian states, with past histories of aggrandizement and located along Southeast Asia's periphery, are *perceived* as having hegemonistic, or potentially hegemonistic, tendencies, taking up where the Soviet "threat" left off, in helping to fuel a defence buildup among countries in the ASEAN Six.

Attempting to determine the extent to which external powers have in some way had an impact on the security awareness and threat *perceptions* of the ASEAN member-states is not an easy task at the best of times. In uncertain times, as we are now experiencing, where the Asia–Pacific geostrategic environment is in a state of flux with, in most instances, no

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clear distinction between friend and foe (with the caveat "potential" friend, and "potential" foe, being more apt), the task is made more difficult.

Furthermore, it would be foolhardy to look at the subject of the ASEAN armed forces in relation to the major Asian powers in isolation from other, more deterministic factors in the evolution of defence policy, and the process of military procurement. (None the less, for the sake of analytical clarity, this approach, with its prospective pit-falls, is employed here.) To that extent, one could list a whole complex of factors, and by no means comprehensive, to explain the significant growth of the defence establishments in non-communist Southeast Asia in the last decade. In other words, who is to suggest that aspects of the ASEAN states' defence buildup and modernization would not have taken place without factors extraneous to the region influencing that process? Having said that, however, the fact of the matter is that extra-regional factors have indeed *had* some effect, and this article will attempt to highlight a number of concrete examples, beginning with selected aspects of Singapore's defence policy and force structure.

Singapore

The inherent vulnerability of being a small island, nation-state has made it imperative for Singapore not to allow threats — even a mere hint of them — to manifest themselves. Put differently by another observer: "Singapore's strategy aims not at defeating threats but at preventing them from emerging".[2] This has been done through a judicious mix of active and adroit international diplomacy, and a flexible and robust defence policy. The defence part of this strategy has meant that Singapore has had to develop a formidable military force whose purpose is to demonstrate to any potential aggressor that the costs of aggression will be prohibitively high and, *ipso facto*, is deterred from initiating aggression in the first instance. It might be said that such a policy is a general defence policy of many countries. However, the siege mentality, and innate sense of insecurity that prevails in prosperous, but tiny Singapore, has made it look at the threat equation from every conceivable angle. This has led to a situation which, as one author has observed, has made Singapore "the most heavily armed country on earth with sizeable armed forces crowded into its exiguous territory".[3]

In the 1980s, and even earlier, Singapore's perception of external threat to Southeast Asia was largely focused on the Soviet Union and its export of revolution and war-communism. As former Prime Minister Lee Kuan Yew made plain, even as early as 1978: "What we'd like to see is a balance of power in the region, or at least no preponderance or

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over-whelming weight of any single great power. As long as there is a Soviet naval presence that presence can only be matched by an American naval presence".[4] The seriousness with which Singapore viewed Soviet intrigues in Southeast Asia during the 1980s was, perhaps, evidenced not so much in rhetorical statements but in concrete and vivid military policy. An example of this was the little-known fact that a detachment of Republic of Singapore Air Force (RSAF) fighters stationed at Clark Air Base used to routinely stage out and conduct "anti-Soviet air combat exercises".[5] These manoeuvres were a result of intrusive Soviet air activity out of Cam Ranh Bay. (The Soviets used to regularly violate the territorial air-space of certain ASEAN states, particularly that of the Philippines and, as such, elicited appropriate responses from those states.)

With the remarkable change in Soviet international behaviour over the last two years, and manifested at the Southeast Asian level in the partial withdrawal of forces from Cam Ranh Bay, the Singapore policy line with respect to external powers that ought to be watched carefully, has switched to focus largely on India and Japan. As the then Defence Minister (now Deputy Prime Minister) Brigadier-General Lee Hsien Loong stated in a speech in November 1989:

> Japan is steadily modernising its forces... there is even talk in Japan of making exceptions to the limit of 1,000 miles on naval operations. [India] has not reduced its military expenditures. Indeed, a retired Deputy Chief of the Indian Army has been quoted as saying: "India has to be the dominant military power between the Suez Canal and Singapore". Today the large Indian Navy has two aircraft carriers, plus nuclear submarines [*sic*] on lease from the Soviet Union. It has naval facilities in the Andaman Islands, and is reported to be building more in the Nicobar Islands, north of the Malacca Straits.

General Lee said he cited these examples not because he saw Japan or India as "threats to the region, but because their actions show that they clearly do not consider amicable regional relations the inevitable consequence of a global trend".[6] In an interview in February 1990, General Lee reiterated a long-established view that Singapore should constantly maintain military preparedness against any eventuality: "I do not see any immediate threats to Singapore. However, Southeast Asia being what it is, trouble may break out suddenly, so we have to be prepared. *Other states are also acquiring the capability to project power into the region*" [emphasis mine].[7]

What these statements show is a continuum in Singapore's threat perception with regard to the credibility of *certain* external powers making unwelcome moves into Southeast Asia. The regional strategic environment may have changed, but the notion of extra-regional threat has not.

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Declaratory Policy versus Operational Policy

How valid are policy statements on their own? Unfortunately, statements do not necessarily provide definitive answers, simply because there could be two, difficult to distinguish, types of statements: those largely indicating a declaratory policy, on the one hand, and those indicating an operational policy, on the other. "What you say is not necessarily what you mean", is the essence of a declaratory policy. "Operational policy", however, is more substantive, and is reflected in visible action, such as military force procurement patterns, and exercise activity.

The Singapore policy line, namely, counteracting the potential machinations of external powers, has occasionally been described by some observers as being disingenuous and that, in actual fact, Singapore uses external powers such as India and Japan as surrogates for more likely threats much closer to home. In other words, the *declaratory* policy with regard to presumed Indian and Japanese regional ambitions, either now or in the future, provides justification for a military buildup specifically intended to deal with potential threats that could, in fact, originate from neighbouring states. There might be some truth to this, but the operational policy does also show a genuine concern with current or potential external power involvement in Southeast Asia.

An operational policy of the Singapore military that has a definite maritime orientation to it than was previously apparent, tends to mirror concern with larger, potentially dangerous powers geographically located outside the region, but suspected of having regional ambitions. This appears logical considering the fact that the navies of other Southeast Asian states do not as yet have the capability to dictate the course of maritime events in the South China Sea. Only Asian powers such as China, India, and to a lesser extent Japan, have the naval wherewithal to influence regional maritime policy. In that respect, there has been an increasing trend in the Singapore Armed Forces (SAF) to acquire hardware and to evolve air and naval exercises which emphasize readiness to engage not minor, but major naval adversaries should such a requirement prove necessary.

The Soviet Legacy

The most vivid evidence of this policy was the SAF's decision in the early 1980s to purchase four Grumman E-2C Hawkeye airborne early warning and control aircraft from the United States. This flight of four aircraft became operational in the late 1980s and, outside the U.S. Air Force at Clark Air Base, has made Singapore the only country in Southeast Asia and the Southwest Pacific to have a broad-search aerial surveillance capability.

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When the final decision to purchase the E-2Cs was made public in 1983, misgivings were expressed from certain quarters in neighbouring ASEAN states. For example, a Royal Malaysian Air Force officer noted that the E-2Cs would be able to monitor the movement of all air traffic in the region, especially from Malaysia and Indonesia. In his words:

> For example, if the aircraft operates from the Straits of Malacca it can easily monitor aircraft movements from the Indonesian Air Force base in Medan, Malaysian Air Force bases in Alor Star and Butterworth and Thailand's Songkhla and Haadyai air force bases.
>
> I think air force members, especially pilots in the bases, will not be happy knowing there is someone up in the skies with "detect and locate" capabilities.[8]

No doubt, the E-2Cs would, as a matter of course, be monitoring all aircraft movements within their search envelope, but they are not likely to be completely preoccupied with Malaysian or Indonesian military aircraft movements in view of the lack of real threat potential (or capability) currently posed by those two nations' air forces. The Singapore acquisition of the E-2Cs would not have made sense if their operational missions were purely the surveillance of neighbouring states' military air traffic. From the standpoint of the early to mid-1980s, their acquisition had more to do with Soviet activity out of Vietnam, and closely followed the expansion of a composite Soviet air regiment (some 40 aircraft) based at Cam Ranh Bay. As the then Singapore Foreign Minister S. Dhanabalan put it in early 1984, Soviet military aircraft out of Vietnam "are not just flying around... they are on missions".[9] Indeed, matched with anti-Soviet air combat exercises by Singaporean F-5E fighters out of Clark Air Base, the E-2C purchase was a clear demonstration of Singapore's concern, during the 1980s, with the increased reach of the Soviet military machine. Moreover, in relation to the perceived Soviet "threat", the acquisition of these aircraft would also have been partly intended to indicate that Singapore was a reliable friend of the United States, and was willing to take up a share of the common burden of regional defence, precisely at a time when Washington was having problems with some of its allies, in NATO (Spain, for example) and in ANZUS (New Zealand).

Now, with the "Soviet" threat having all but completely disappeared, the importance of the E-2Cs to Singaporean defence has not diminished but has in fact remained the same, if not increased. This is amply underscored by an awareness and sensitivity to the proximity of Indian military power which, from air and naval bases on the Andaman and Nicobar islands, is well within striking distance of the Straits of Malacca, one of Singapore's vital lifelines. As one author has stated:

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> More troubling for Southeast Asia is the steady strengthening of what some call FORTAN — Fortress Andaman and Nicobar islands. FORTAN amounts to a super and unsinkable aircraft carrier, only 80 miles west of the Strait of Malacca. Now under joint service command, FORTAN boasts a major Indian Navy base at Port Blair, as well as a marine contingent and an airbase for Jaguar maritime attack aircraft.
>
> Southeast Asia must also keep its eyes on Vishakhapatnam, the large naval base on India's east coast that serves as the home for surface vessels, submarines, and warplanes. Further south in Tamil Nadu is a cluster of bases, including an airfield for Tu-142 Bear F maritime reconnaissance aircraft that can fly well beyond Singapore and back without refuelling.[10]

As with Indian military capabilities, a parallel situation exists with regard to China's military reach into Southeast Asia. The establishment in early 1990 of a new Chinese aerodrome on one of the Paracel Islands has now extended, southwards into the South China Sea, Chinese air power which, in view of China's at-times aggressive claims to island territories in the region, would require close monitoring by the regional states. The Singaporean E-2C Hawkeyes, which have recently extended their aerial surveillance loops well into the South China Sea, would usefully serve that monitoring function.

Recent Emphasis on Maritime Patrol and Reconnaissance Aircraft

Evidence of the maritime orientation of Singapore's defence policy was highlighted when, in March 1990, the head of the SAF, Lt.-Gen. Winston Choo, disclosed that Singapore would be acquiring aircraft specifically equipped for maritime patrol and surveillance functions.[11] This acquisition was to be an addition to a recent decision to reconfigure up to eight F-5E fighter-interceptors for a maritime reconnaissance role. This conversion exercise has been made possible by the incorporation, in early 1990, into the RSAF order-of-battle of eight F-16 aircraft as frontline fighters, thereby allowing some earlier-generation F-5Es to be reassigned to other tasks. The increasing need for reconnaissance (point-to-point) and surveillance (lengthy loitre and patrol) aircraft to supplement the E-2C Hawkeyes will add depth to Singapore's advanced early warning system, and only makes sense if one is concerned about detecting potential threats further afield, not close at hand (that is, from Malaysia or Indonesia).

Aircraft Reconfigured for Maritime Strike

Perhaps one of the most salient, but least publicized aspects of the Singapore air force's increasing focus seawards is the reconfiguration of a not

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insignificant number of its strike aircraft to anti-shipping operations. Over the last several years an indeterminate number of RSAF aircraft have been equipped with anti-ship missiles and associated target acquisition systems, changing their role from ground attack to that of sea strike. More significant, perhaps, has been the retrofitting of mid-air refuelling probes onto these aircraft, giving them a substantial range to hit targets well out into the South China Sea. As one observer noted as early as 1986:

> Singapore is presently the only regional power to operate aerial refuelling until Australia converts its 707s. This is not an indication that the air force plans other than purely defensive air cover, but is rather *a force multiplier giving range and flexibility to both intercept and strike aircraft* [emphasis mine].[12]

The increased range of Singaporean fighter and strike aircraft has allowed them to co-ordinate deep-strike operations with the navy, which is also extending its combat radius through the deployment of new medium-range Harpoon-armed *Victory* class corvettes, up to six of which will be operational by the end of 1991.

One author aptly sums up *all* the "hardware" developments described above, as they relate to the perceptible movement of Singapore's defence screen, both forwards and seawards:

> Singapore has long pursued the notion that its shallow defensive depth requires it to challenge potential threats beyond its borders. This together with strong budget support and advanced industrial capability has produced *a formidable military with particular emphasis on the air force*. The outlook consequently calls for consolidation, with areas such as command, control, communications and intelligence [C³I] of primary concern [emphasis mine].[13]

The long lead times inherent in the procurement and eventual deployment of defence *matériel* suggest that Singapore's C³I requirements will only be fully satisfied by the mid-1990s, by which time the intentions of emerging great powers — China, Japan, and India — might well become clearer. Whatever the ambitions of these powers, always working on the basis of a worst-case scenario, the air force-led Singapore Armed Forces is likely to be ready to meet any new challenge that could arise in the medium term. What lies beyond that is, of course, anybody's guess.

Revitalization of Defence Ties with Friends and Allies

Assisting the SAF in its defence work are the now revitalized ties between it and the armed forces of friends and allies. In that respect, since mid-1989 two defence relationships (one formal, and another informal) have been

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TABLE 1
Republic of Singapore Air Force (RSAF) Changing Order-of-Battle

	Strike, and interceptor aircraft		
	1980	*1990*	
	18 F-5E (intercept)	8 F-16 (intercept)	
	32 A-4 (strike)	33 F-5E (intercept)	
	35 Hunter (strike)	9 F-5F (intercept)	
		70 A-4 (strike)	
		24 Hunter (to be phased out) (strike)	
Sub-total:	85	142	
	All other aircraft (Reconnaissance, transport, helicopters, etc)		
	1980	*1990*	
	40	46	
TOTAL:	125	188	+50%

By 1995, the RSAF will have in excess of 200 aircraft (excluding the Hunters, which will be phased out by then). Most of the new additional aircraft will probably be devoted to medium-range maritime operations — reconnaissance, patrol, anti-shipping, and possibly ASW.

A significant characteristic of the current RSAF order-of-battle is the emphasis now given to maritime operations (or in the RSAF lexicon "maritime air operations"). A certain number of aircraft have been reconfigured for maritime strike, by being equipped with anti-ship missiles and associated target acquisition systems. Installation of probes for mid-air refuelling has provided a substantial lengthened radius-of-action for these aircraft, allowing them to conduct strikes well into the South China Sea. These developments manifest the movement towards "depth" in the Singapore Armed Forces' defensive and offensive operations. It also indicates the thinking that not all threats are likely to emanate from points close to home — highlighting concern with possible threats coming from outside the region.

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revitalized and upgraded. The Five-Power Defence Arrangements (grouping Singapore, Malaysia, New Zealand, the United Kingdom, and Australia) was given a new lease of life in November 1989, when Singapore expressed renewed enthusiasm for the pact. As Brigadier-General Lee Hsien Loong put it:

> [W]e should strengthen the FPDA, and the ability of FPDA military forces to work together, so that should the political will ever direct, the FPDA member-countries can combine their military forces together to deal with any threat.
>
> [C]ontests for influence or dominance in different parts of the world, and regional tensions and rivalries among countries, not necessarily superpowers, will not go away just because the communist bloc is in upheaval or the superpowers have come to terms.[14]

A cornerstone of Singapore's support for the FPDA was the desire to use the Arrangements as a forum where large-scale, combined air and naval exercises by the FPDA member-states could be carried out. Here, the accent is again on air and naval, not land exercises which had featured more prominently in the FPDA concept in the 1970s. From the Singapore viewpoint, such exercises are envisaged as a means of enhancing the combat proficiency of RSAF pilots, and to allow the growing Republic of Singapore Navy the opportunity to engage in realistic exercise scenarios "against" forces which could actively "defend" themselves.

One large-scale FPDA air exercise conducted in 1990 was "Major Adex 90-2", held in March, and which brought together the air forces of the five alliance states.[15] The nature of this exercise tended to suggest combat against a very well-equipped adversary — far better equipped than any of the ASEAN states (Singapore being the exception).

Apart from strengthening a relatively old defence arrangement arising out of the colonial legacy, Singapore has also decided to upgrade its defence ties with the United States by extending to the U.S. Air Force and Navy facilities in the island-republic on a non-permanent basis. This has been Singapore's answer to a possible U.S. military withdrawal from the Philippines, and an attempt to pre-empt a power vacuum being created in Southeast Asia, and one which could be filled by an aspiring Asian power.

Malaysia

If the air force has historically had pride of place in the development of the Singapore Armed Forces, the same has not been the case with its counterpart across the causeway. The Malaysian Armed Forces has, in its

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more recent history (that is, for much of the 1980s), attempted to treat all three service arms more or less equally (but, perhaps, with the army being slightly more than equal): It has only been in the last couple of years that more attention appears to have been paid to the air force and navy. In the words of the Malaysian Chief of Defence Forces, General Tan Sri Hashim Mohd. Ali:

> I am not keen to reveal the new equipment we plan to purchase but suffice me to say that we will be upgrading the capabilities of the Royal Malaysian Navy and the Royal Malaysian Air Force. Over the period of three decades the area of operations has changed enormously from what was peninsular Malaya, to now covering the whole of Malaysia. The vast sea separating the two areas will necessarily require better capabilities to protect our EEZ [exclusive economic zone] and our line of communications between the two territories. Our oil fields and gas are all in this area and it is the duty of the armed forces to protect these assets. The navy would play a bigger role in future and must be modernised to prepare it for any eventuality.

As intimated by General Hashim, in and of itself, much of this renewed Malaysian interest in air and naval capabilities will be prospective, that is, there will not be immediate tangible results but rather results, in terms of planned acquisitions of aircraft and warships, may be expected in the years ahead.

Despite General Hashim's circumspection, the Royal Malaysian Navy (RMN) does have significant operational aspirations if press reports during 1990 were any indication. The reports indicated an interest in acquiring a whole new generation of fast-attack craft, and diesel-electric submarines (of which up to six are being considered). Of greater and more immediate relevance is the decision to construct a new naval base at Kota Kinabalu, located on the East Malaysian state of Sabah. When completed, this new naval facility is expected to be the RMN's main staging base for operations into the South China Sea.[16]

The South China Sea as a renewed area of interest for the Malaysian navy has also been signalled by two other developments. One was the decision taken by Kuala Lumpur in 1988 to intensify patrols in that maritime domain. The rationale for that decision was spelt out by the RMN's Region One Commander, Commodore Datuk V. Ramachandran, when he said that such "patrols would help safeguard national security interests".[17] He then hinted at a link with the intrusiveness of external powers into the region:

> Developments have turned the South China Sea into a strategic area, as it is a major passageway between the Indian and Pacific oceans.[18]

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Basing Realignment to the Northeast

A second development which has tended to indicate increasing Malaysian interest in the South China Sea has been the steady realignment of RMN assets, with the movement of certain vessels hitherto based at the Lumut naval base facing the Malacca Straits, to the Tanjung Gelang RMN base facing the South China Sea, giving these forces immediate line-of-approach to potential flashpoints (such as the Spratlys, and Malaysia's EEZ) in that sea. A similar reorientation northeastwards for the air force is currently in train. In 1989, it was announced that the Royal Malaysian Air Force (RMAF) would transform a former British air force base at Gong Kedak along the Kelantan/Terengganu border into the largest and most sophisticated Malaysian air base.[19] The short time-over-target value that the new base will give the RMAF for operations over the South China Sea cannot be overestimated. Indeed, that staging point is likely to provide a suitable deterrent to the Chinese as they busy themselves in incrementally expanding their military presence on the Paracel and Spratly islands.[20]

This Malaysian focus on the South China Sea as a potential cockpit of confrontation (among regional states, and between regional states and extra-regional states) has, on the one hand, been largely the result of fears of a resurgent China and Japan and, on the other, the vexatious issue over the Spratlys, of which Malaysia has had its own claims to certain portions. Kuala Lumpur's most recent expressions of apprehension over a "militant" Japan were voiced in May 1990 by the then Defence Minister, Tengku Ahmad Rithaudeen. He "warned that Japan had the capability to re-emerge as a military power at any time if a Japanese government wanted to do so".[21] His statement was made shortly after an announcement in Bangkok that Prime Minister Chatichai Choonhavan had proposed that Thailand and Japan conduct joint military exercises in Southeast Asian waters.

With Thailand under former Prime Minister Chatichai having taken off at a tangent from the ASEAN stand with regard to the Cambodian issue, its presumed ambitions to be dominant in an Indochinese Golden Peninsula (*Suwanaphume*), and its apparent lack of sensitivity to the rest of Southeast Asia which, unlike Siam, had suffered at the hands of Imperial Japan in World War II, there may be some indication of Malaysian suspicion and distrust of possible Thai–Japanese military collaboration and collusion (and this is despite the fact that the Royal Malaysian Navy and its Thai counterpart do, on occasion, conduct joint naval exercises of their own).

This concern with Japan is not new, and was evident in Malaysian policy pronouncements during the 1980s. For example, in 1983 the then Malaysian Foreign Minister Tan Sri Ghazali Shafie, in response to plans

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by Tokyo to defend its sea-lanes to a distance of 1,000 nautical miles, said that any increase in the Japanese military role in the Western Pacific would be welcomed as long as it was a "proper role". He added, "the proper role certainly is not the Japanese navy running up and down the Straits of Malacca".[22] Shafie's view is subscribed to, in a far greater degree, by Malaysia's present leaders. In other words, the policy line has not changed much, if at all, over the years. Indeed, how could it change, for as the author of the 1971 ASEAN concept of a Zone of Peace, Freedom, and Neutrality (ZOPFAN), Malaysia has long held the view that Southeast Asia should be free of external powers, whether it be Japan or any other big power.

To move towards the realization of the principle of ZOPFAN Malaysia has to demonstrate that it possesses the military wherewithal to significantly influence activities off its maritime flanks. The albeit slow but steady development of the Royal Malaysian Navy has been a natural course in this process.

Realities Prevail

Principle is one thing, while *realpolitik* is quite another matter. The reality that Malaysia has long-standing territorial disputes with other countries is, perhaps, the more compelling reason for the willingness to allocate substantial funds to expand and upgrade its air and naval capabilities. The disputes involve sovereignty claims with Vietnam and China over portions of the Spratly Islands as well as conflicting maritime territorial wrangles with neighbouring Brunei and the Philippines. These running disputes have led the Malaysian military to develop quick-reaction forces capable of being rapidly deployed from sector to sector to deal with eventualities. To that extent, like the Singapore air force, the Royal Malaysian Air Force is expected to be increasingly integrated into maritime operations, with the focus being on the extension of operational capabilities beyond territorial waters. The recent decision to purchase 28 Hawk multi-role fighter-bombers can be seen in this light, and is part of a long-term comprehensive air and sea strategy — first outlined in 1987 by the then Chief of Defence Forces, General Tan Sri Ghazali Che Mat — aimed at ensuring Malaysia's maritime interests and its ability to enforce its jurisdictional rights, even if they happen to overlap with the claims of other countries.[23]

Conclusion

To conclude, it can be seen that extra-regional powers have, over the years, had some impact on the Singaporean and Malaysian strategic mind-set.

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That impact equates with a general uneasiness about the future — in other words, an uncertainty about the strategic intentions of the Chinese, Japanese, and Indians.

To essay the military capabilities and procurement plans of the two ASEAN states has been easy enough. To then conclude that these capabilities and plans have in some way been formulated to take into account the prospective and unwelcomed advances of outside powers has been the reverse. However, in inferring from capabilities such a proposition five sources of information have been relied on:

1. Policy statements, or general observations by political leaders about the external threat environment.
2. The structure of defence forces, including procurement plans — that is, the type of weaponry being considered for acquisition.
3. The nature of military exercises, joint and/or independent.
4. The revitalization and extension of co-operative defence ties with friends and allies.
5. The espousal of international principles, for example, ZOPFAN.

Because of the subjectiveness of the topic, I leave it to the reader to decide the usefulness and accuracy of such information.

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The Indian Navy and Southeast Asia

G.V.C. NAIDU

The Indian navy grew slowly during the two decades following India's independence in 1947. The buildup began in the 1970s and the pace accelerated in the 1980s, causing concerns among South and Southeast Asian states. Such concerns have more to do with the ambiguity and lack of clarity regarding India's security policy and strategic outlook than with the actual capabilities of the Indian navy. Confidence building measures seem necessary to assuage concerns in Southeast Asia over the growth of India's naval presence in the Andaman and Nicobar Islands which are close to the mouth of the Straits of Malacca.

There has been a spate of articles, statements, expressions of concern, and apprehensions recently about the expansion of the Indian navy, not so much because of its growth into a blue-water force, but mainly because of ambiguity and a lack of clarity regarding its role and ambitions. While the former Prime Minister Rajiv Gandhi had declared that India did not want to be considered as a major regional power or a rising superpower, some military officials and influential strategic analysts have spoken boastfully of India's naval capabilities and sought a further buildup. Even the Annual Reports of the Ministry of Defence are vague with regard to India's security concerns and strategic interests. Confusion is further compounded by the lack of co-ordination between the Defence and External Affairs Ministries in New Delhi. Although India has been championing the cause of disarmament, its defence budget doubled in real terms during the 1980s and India has ranked as the world's largest importer of arms since 1986.[1]

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Defence experts rule out any major new acquisitions because of the enormous costs of maintaining and operating the present vessels. Thus, the Indian navy may not be able to sustain the tempo of its recent buildup for another decade or so, unless the economy does exceptionally well and defence allocations remain at present GNP (gross national product) percentage levels. This once again brings into sharp focus the debate about India's status as a geopolitical power and its strategic priorities. Is India a continental power or a maritime power? While credible arguments have been put forward, India's strategic doctrine appears to be on the verge of a radical change. A broader, multifaceted Indian role in South Asia and in the Indian Ocean region could be anticipated.

The Indian navy's strength lies not so much in its creaky aircraft carriers but in its overall military strength, particularly in the variety of missiles that are being currently tested and produced in India. Even in the absence of nuclear weapons, a knowledge about atomic technology could induce India to manufacture nuclear-powered submarines and carriers.

India's genuine maritime interests are related to its vast coastline stretching nearly 7,600 kilometres; distant archipelagos on both sides of the coastline; an Exclusive Economic Zone (EEZ) of 2 million square kilometres; a continental shelf; mining rights in the ocean-bed; the protection of offshore installations and industries along the coast; and an expanding trade (more than 95 per cent of which is sea-borne, especially oil supplies). India is one of the few countries that has a Coast Guard whose capabilities are soon to include frigates, medium-range reconnaissance aircraft, a larger number of inshore and offshore patrol boats, and so forth.

An array of impressive procurements, such as aircraft carriers, a nuclear-powered submarine, long-range maritime reconnaissance aircraft, modern frigates, large landing ships, and plans for their local production in the next two decades, are certainly not defensive in nature. Most of the recent acquisitions by the Indian navy are of an offensive nature and have power projection capability. The Indian navy is the largest among the Indian Ocean littoral states and the seventh largest in the world. If the naval officials succeed in their ambitions for the Indian navy, it would become the fourth largest in the world.

It is apparent that India has larger ambitions in the Indian Ocean, which is reflected in the way India's maritime policy is evolving. The Indian navy is striving to emerge as a balanced force with sea-control and sea-denial capabilities. The presence of external powers in the Indian Ocean is a major concern to India. The possibility of the Indian navy acting in consonance or in alliance with the Soviet navy for mutual benefit in the Indian Ocean is often raised. However, this development is most unlikely. Given the Soviet Union's current internal difficulties and the

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reassessment of its global role, and also given India's independent foreign policy, the Indian navy is hardly likely to play the role of a protégé. It is also difficult to perceive any major convergence of interests between India and the Soviet Union either in the Indian Ocean or Southeast Asia. As far as China is concerned, it would be extremely difficult for China to sustain any major confrontation with India (even in the absence of Soviet help) in the Indian Ocean. This is one of the major objectives of Indian naval planning.

The following factors should be kept in mind when analysing India's recent military buildup, especially its naval expansion. Most of the wars after World War II have been fought in the Third World and it is likely this will remain the pattern in the future. In most of these wars there has been an element of external involvement to varying degrees. It is in this context that some analysts in India feel that the positive image of the current *détente* between the superpowers on the developing countries may not be spectacular.

There is a realization in India that the diminishing status of the United States and the Soviet Union as superpowers is giving rise to the emergence of new power centres. It is felt that India's vast resources, sufficient industrial base, large pool of technical manpower, extensive territory and large population — not to mention India's strategic location — have given it a historical opportunity to play a major role which should not be allowed to slip away.

As an emerging power, India has interests beyond the confines of the South Asian subcontinent. The economic policy of recent years, which has liberalized the economy to a considerable extent, has led to a manifold increase in trade and other economic activities with the outside world. It is not widely believed that India is at the take-off stage of economic development. The Afghanistan issue was a major irritant in India's relations with the United States, but this was removed with the Soviet military withdrawal. Gorbachev's attempts at normalization with China also mean that India must look for a broader role, requiring it to expand its ties with the United States, Japan, and Western Europe.[2] India's economic relations, particularly trade, are also likely to expand with the countries of Southeast Asia. Since India's trade is almost entirely sea-borne, it is felt that its strategic interests are also likely to grow beyond South Asia.

Evolution of the Indian Navy

The modernization and expansion of India's navy can roughly be divided into three phases. The first phase started immediately after independence and lasted till about the mid-1960s. Immediately after independence, a

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prospective plan for the navy was prepared under the guidance of Admiral Parry (who was on loan from the British Admiralty) which recommended the gradual development of two carrier fleets. The plan called for a balanced navy, consisting of two light fleet carriers, cruisers, destroyers and auxiliary craft, and it "emphasized the necessity to build a submarine force and an air arm within a period of ten years. The plan also included proposals for the setting up of training establishments, base repair organizations and other infrastructural facilities, such as headquarters, store depots, communication stations, etc".[3] In 1948, the Government of India, after several meetings with British experts, accepted in principle the proposal to acquire light fleet carriers. The first light fleet carrier was to be purchased from Britain in 1955, followed by a second carrier two years later. Although a provision was made in the 1949–50 defence budget, "for one reason or another the Royal Navy was unable to meet the Indian requirement for carrier aircraft at that time".[4] Meanwhile, the Indian navy started its own plans, though it was plagued by a severe resource crunch. The government felt that India would be facing greater dangers from Pakistan across the land-border than from the sea. Moreover, because of India's close defence links with Britain, the British military presence in the Indian Ocean was in a way reassuring.

Renewed attention in the late 1950s for the replacement of ageing World War II vintage vessels gave the navy a chance to acquire modern ships. A second modern cruiser, *INS Mysore*, was added in December 1957. Under the replacement programme, three frigate squadrons consisting of eight ships were procured.[5] The idea of acquiring an aircraft carrier was once again raised and in 1959 a decision was taken to acquire HMS Hercules from Britain. In April 1958 the contracts for the loan of British officers ended and for the first time an Indian was appointed as the Chief of Naval Staff.

India received its first light fleet carrier in March 1961, renamed the INS Vikrant. Before reaching India, it underwent a thorough reconstruction and was refitted with modern electrical and electronic equipment. The ship was complemented by an air group comprising 10 Sea Hawks, 6 Alizes, and 2 Alouettes. By then India had already established a suitable naval air station at Cochin in May 1953, called *INS Garuda*.

After the 1962 Sino–Indian war, allocations for the Indian navy were drastically reduced to enable the expansion of the army and air force. The navy regained the attention of the defence planners in the late 1960s. The 1965 Indo–Pakistani war was a watershed, which enabled the navy to put up a strong case for naval expansion. Pakistan possessed a modern navy (though small in size) with American help under the Mutual Defence Assistance programme. It was capable of intimidating the Indian merchant

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and naval fleet in the Arabian Sea as well as in the Bay of Bengal. During the 1965 war the main task force of the Pakistani navy, including the cruiser *Babur*, sneaked out of Karachi and bombarded a small town, Dwarka, in Gujarat. A Pakistani submarine, called *Gazi*, also lurked around in the western coast, close to Bombay harbour.[6] The Indian navy was instructed not to proceed more than 200 miles beyond Bombay. India probably feared that its old, World War II ships would not be a match for the modern Pakistani navy,[7] despite a clear overall Indian naval numerical superiority. India could not use its aircraft carrier *Vikrant* because it was dry-docked.

Indonesia also played a role during the 1965 Indo–Pakistani war. Soekarno reportedly sent naval forces to assist Pakistan, "but (they) arrived too late to become involved in the conflict".[8] According to another report: "President Sukarno, who had recently acquired a $1 billion navy from the Soviet Union, had made vague threats to intercede on Pakistan's side. Later, Pakistan's Air Marshal Asghar Khan revealed in his memoirs that Sukarno had in fact offered to divert Indian attention from Pakistan by seizing the Andaman and Nicobar islands (about 80 miles away from Sumatra) in the Bay of Bengal".[9] Given the close relations between Beijing and Jakarta under Soekarno, India also feared a Beijing–Islamabad–Jakarta axis, all of whom possessed submarines. It was felt that India would be most vulnerable on its southern flank, with the navy as the weakest link in the defence perimeter.

Another factor that strongly supported the case for naval expansion was the British decision in 1967 to withdraw its forces east of Suez, raising fears of a vacuum in the Indian Ocean. In March 1968 Admiral Chatterji claimed (though with considerable exaggeration) that the "Indian Navy would eventually be in complete charge of the Indian Ocean after the withdrawal of the British fleet east of Suez".[10] This was the first clear indication of the Indian navy's ambitions in the Indian Ocean. In the revived naval expansion plan, the acquisition of submarines was given top priority.

Efforts made in the mid-1960s for naval expansion bore fruit in the late 1960s. Investments in ship-building were increased dramatically. When the Bangladesh crisis erupted in 1971, the Indian Government doubled its investment in the production of frigates. The Leander class frigate, a versatile frigate with anti-submarine and reconnaissance duties, equipped with Seacat surface-to-air guided missiles designed by the British Admiralty, was selected to be built at the Mazagon Docks in collaboration with Vickers and Yarrows of Britain.

The year 1968 was a milestone in the history of the Indian navy. In July of that year, India acquired its first "F" class attack submarine, *INS Kalveri*, and in October the first Indian-built frigate, *INS Nilgiri*, was

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launched at Mazagon Docks. A second submarine (*INS Kanderi*) of the same class was commissioned at the Soviet naval base of Riga in the Baltic Sea. In 1968, the Chief of Naval Staff was elevated to the rank of full Admiral, bringing him on par with the chiefs of the army and air force. In another development, the Indian navy became a two-fleet navy, with Vishakhapatnam as the headquarters of the Eastern Fleet and Bombay, the Western Fleet.[11] By the late 1960s Indian naval officials had started talking about a navy that could play a role beyond coastal defence. The above acquisitions facilitated India's resounding victory in the 1971 Indo–Pakistani war, which helped the naval lobby in its cause.

The 1971 Indo–Pakistani war was very significant in many respects. First, India successfully overcame some of the earlier fears of using unfamiliar Soviet-made systems. Secondly, Indian naval personnel perfectly co-ordinated Soviet and British-made ships for employment in war. Thirdly, the Indian navy could confidently sever its historical attachment to British weapon systems. Fourthly, old naval doctrines (mostly borrowed from Britain) were scrapped and new doctrines evolved. And finally, and most importantly, all three armed services were involved in the war for the first time, and hence had to co-ordinate their actions.[12] The Indian navy gained the prestige it desperately sought and its future potential role received due cognizance. The navy also recognized the need for indigenous production in order to avoid excessive dependence on external sources of supply and also to economize on the cost of the planned expansion. The allocation of funds for the navy increased dramatically from about 3 per cent of the defence budget in 1962–63 to 9.7 per cent in 1976–77. After this period, the navy went into its second phase of expansion.

External factors also influenced India's naval expansion. The most important was the entry of the American naval task force, led by the USS Enterprise, into the Bay of Bengal during the last stage of the Indo–Pakistani war in 1971. The move was widely interpreted in India as an act of intimidation, even nuclear blackmail, gun-boat diplomacy, and so forth. This event became a perfect justification for the navy to embark upon a massive expansion programme. Other factors were the U.S. decision in the early 1980s to establish its Central Command (Centcom) at Diego Garcia in the Indian Ocean; turbulence in the Persian Gulf; Sino-U.S. rapprochement; and Soviet military intervention in Afghanistan.

India's maritime interests have grown over the years together with its naval expansion. Along its vast coastline there are 10 major and 180 minor ports actively engaged in foreign and coastal trade. In addition, there are two archipelagos on the east and the west situated away from the mainland. For instance, the Andaman and Nicobar islands are about 800 kilometres from the nearest point on the mainland. These islands are

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considered particularly vulnerable because of their proximity to Indonesia, being about 80 miles from Sumatra.[13]

India has acquired an area of 2 million square kilometres of ocean space as its EEZ, which is nearly two-thirds of its land area. The Law of the Sea Conference also provides for a Continental Shelf up to a depth of 200 metres for the exploitation of sea-bed resources. In addition, India has acquired exclusive mining rights in the deep sea-bed in some areas of the Indian Ocean.

Nearly 98 per cent of India's trade (over US$20 billion) is sea-borne, which includes about 40 per cent of its crude oil imports. The Gulf oil supplies to India are much more crucial than for some of the major powers who have a military presence in the region purportedly to protect their oil supplies. India's sea-borne trade (constituting nearly one-sixth of the GNP) and its merchant fleet of about 400 ships represent highly visible economic assets on the high seas. India has extensive offshore oil exploration programmes on the east and west coasts. At present, the major source of oil production is the Bombay High, off the west coast. The crude oil supply from this source alone constitutes nearly 36 per cent of India's total oil consumption. Protection of the oil installations and equipment is considered a daunting task, for they are within strike range of Pakistani short-range missiles. Nearly 40 per cent of Indian industry is concentrated in western India, including atomic research centres, atomic power stations, and major manufacturing plants in the Bombay and Ahmedabad region, which would be vulnerable to attack from the seas off the western coast. India has also embarked upon new drilling off the east coast in the Krishna-Godavari and Kauvery basins where prospects for oil discovery are bright.

India's other maritime interests and objectives include undertaking mining activities in the deep sea-bed in the Indian Ocean, in the areas assigned to it under the Law of the Sea Conference; the halting of poaching and illegal fishing in Indian waters; and, as concerned officials claim, the security of its stake in Antarctica.

Geostrategically, Pakistan is in a vantage position. It could interdict India's trade as well as pose a threat to India's oil, nuclear and other major industrial installations in times of crisis. As explained by an Indian defence analyst: "In any extended confrontation and conflict (perhaps generated by a stalemate or stand-off situation on land as a consequence of China and Pakistan acting individually or in consonance with each other), the threat to (Indian) sea lines of communication could lead to a serious disruption of our economy".[14]

While the orientation and growth of the Indian navy was not simply to counter or gain supremacy over the Pakistani navy, Indian planners have

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not ignored Pakistan's acquisition of sophisticated AEW (airborne early warning) and battle management systems for co-ordinated use with cheap, lethal cruise missiles of the Exocet/Harpoon variety. In addition, Pakistan's indigenous missile programme, especially the recently tested surface-to-surface short-range missiles, is a major concern to India. The Indian navy, especially its surface ships, are considered vulnerable to Pakistani missile attacks.

The other factor of considerable significance to the growth of the Indian navy has been developments in the Indian Ocean. The establishment of the U.S. Central Command at Diego Garcia in 1983 and the consequent increase in the Soviet naval presence in the Indian Ocean have been of prime concern.[15] Britain and France also maintain a naval presence. An Indian analyst contends: "The incentives, motivations and rationale for these deployments are highly debatable. And India can hardly hope to remain immune or impervious to the effects of this massive military build up (especially) by the Western nations".[16]

India is currently trying to establish sea-control *vis-à-vis* Pakistan and expanding its sea-denial capability in the Indian Ocean *vis-à-vis* the superpowers. How far India will succeed in achieving these objectives remains to be seen, but the direction of the Indian navy's orientation and growth seems reasonably clear, especially if procurement trends are taken into account.

What could exacerbate India's security concerns is collusion between Pakistan and China in the naval field. If India is to play the role of a major power, which its policy pronouncements suggest, it has to adopt a strategy of power projection, which only the navy can provide. The Indian navy, however, is still plagued by the absence of a clearly conceived maritime strategy: "Concepts like sea control, projection of force, minimal deterrence and integral air defence are glibly bandied about".[17]

Naval Inventory

The Indian naval inventory includes 16 conventional submarines, 5 destroyers, 21 frigates, 8 corvettes, 13 missile craft, 13 inshore patrol boats, and 20 mine countermeasure vessels.[18] Amphibious capabilities include one large landing ship, recently built, called the *Magar*, capable of carrying 200 troops, 12 tanks, and 1 helicopter; 9 medium-sized ships each with a capacity to carry 140 troops and 6 tanks; and 9 minor craft. India has also developed a marine force of 1,000 troops, while a second regiment is being formed.[19] It already has an impressive strategic airlift capability based on Soviet Il-76 and An-32 aircraft for strategic employment in the defence of its island territories. These aircraft also give India a

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strategic intervention capability in the mini-states of the Indian Ocean. Significantly, the Indian Air Force has the third largest airlift capability in the world, after the United States and the Soviet Union.[20] This was effectively demonstrated in Indian operations in Sri Lanka and the Maldives.

The Indian navy is fast emerging as a credible blue-water force with significant power projection capabilities. However, India may be unwilling to use its power in far-off regions, such as Southeast Asia, because it is faced with too many internal problems to risk foreign adventures. Indian leaders are likely to be heavily preoccupied with internal social and political problems. In a democratic country like India, the government would be extremely unpopular if it failed to convince and justify its external interventionist policies in regions where Indian interests were either remote or indirect. The Sri Lankan experience has also consistently deterred the political leadership and the top military brass from sending Indian troops overseas.

Involvement in Southeast Asia

India has been involved in Southeast Asia since ancient times. India's religious, cultural, and linguistic influences are evident even today. However, India never colonized or subjugated any part of Southeast Asia. The Asian Relations Conference in March 1947 and the Conference on Indonesia in January 1949 were convened by India in support of independence movements. India's active participation in the first Afro-Asian Conference in Bandung in April 1955 was to show solidarity with the newly-liberated countries and to express its "positive dynamic neutralism" towards the cold war. India was the Chairman of the Neutral Nations Repatriation Commission in 1953 in Korea and the Chairman of the International Control Commission in Vietnam.[21] India was also one of the first countries to invest in joint ventures in Southeast Asia in the late 1950s and early 1960s. Nevertheless, for some inexplicable reason, India lost interest in Southeast Asia after the Bandung Conference. The 1962 Sino–Indian war and the 1965 Indo–Pakistani war probably compelled India to concentrate more on its immediate vicinity.

One major factor contributing to India's disinterest in Southeast Asia may have been the Indonesian attitude under Soekarno. The development of a Jakarta–Peking–Hanoi axis during Soekarno's Guided Democracy period (1959–65) and Indonesia's role during the 1965 Indo–Pakistani war created suspicions in New Delhi. India was also upset by North Vietnam's position in support of China's claims in the Sino–Indian border dispute. According to Mohammed Ayoob, in the early 1970s, oil supplies from the Gulf and other related interests were the primary focus of India's foreign policy.

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Uninterrupted oil supplies, remittances from its workers in West Asia, involvement of Indian firms in the economic development of the oil-rich Middle Eastern countries, and so forth, were considered more expedient. As the oil boom waned, India started looking for alternative regions for economic interaction.[22]

The renewed Indian interest in Southeast Asia in the 1980s was influenced by the region's political stability and economic prosperity. By the early 1980s, Southeast Asia had also become more receptive to India's diplomacy and economic overtures. The regional actors had fully digested the implications of Sino-U.S. *rapprochement* and accepted it as part of the strategic and political landscape of the Asia–Pacific region. The limits of Chinese influence in Southeast Asia also became evident, especially after the Sino–Vietnam war in 1979.[23] India's recognition of the Heng Samrin regime in Phnom Penh in July 1980 estranged India's relations with ASEAN. India recognized the People's Republic of Kampuchea because it wanted a strong Vietnam to resist Chinese expansionism.[24]

India's stakes and interests in Southeast Asia are indirect and related to the roles of the major powers, especially China. So far, India has not had any serious political problems with the Southeast Asian countries, except for a brief period with Indonesia under Soekarno. India has supported almost all the major moves for regional stability, such as the formation of the Malaysia Federation in 1963, the founding of ASEAN in 1967, and ASEAN's idea of a Zone of Peace, Freedom and Neutrality (ZOPFAN) in 1971. Unlike other major powers, India also does not have any claims or stakes in the region, whether geographic, political, or economic. In the naval context, India has signed maritime boundary agreements with all its Southeast Asian neighbours (Indonesia, Thailand and Burma).

India's security concerns in Southeast Asia are marginal and India does not perceive any major threats emanating from the region. However, it appears that some of the Southeast Asian countries, mainly Indonesia and Malaysia, along with Japan and China, are concerned about India's naval expansion. In late 1980, the Defence Minister of Indonesia, Mohamad Jusuf, stated that North Sumatra was very vulnerable to threats from major power rivalry in the Indian Ocean. Indonesia was more explicit in identifying India in June 1989, when at a meeting in New Delhi, Indonesia's naval chief, Admiral Rakefendo, formally conveyed to the Indian officials his government's concern over India's naval expansion.[25] In an interview with Indonesian *Times*, Indonesia's former Deputy Prime Minister, Hardy, quoted "Indian strategists who admitted that India had the motives and intentions of expanding influence in Southeast Asia, and perhaps, to fill one day the vacuum left by the possibility of U.S. withdrawal from the Western Pacific region.[26] According to a *Time* report, an Indonesian army

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colonel described his government as "concerned" about India's longer-term intentions, explaining this to be the main reason for the Indonesian decision to build a large naval base on Sumatra that would provide quick access to the Bay of Bengal.[27]

According to former Malaysian Defence Minister, Ahmad Rithauddeen, India's growing naval capability to project power well beyond its borders has caused "some alarm and concern in East Asia and Western Pacific ... India must show to its neighbours, including Malaysia and other countries in Southeast Asia, that it does not have any ambitions to interfere in regional affairs".[28] A Malaysian defence analyst, J.N. Mak has stated that "India is very definitely looming larger on the defence consciousness of countries in this part of the world".[29]

Rapid economic and technological developments in the Asia–Pacific region might enable India to look to Southeast Asia as a gateway to this region for greater economic interaction. However, even increased economic stakes may never become important enough to warrant military intervention, especially because there are countries such as the United States, Japan and those in Europe whose economic presence and interests are much greater than India's.

Southeast Asia's geographical proximity might compel India to come to the aid of ethnic Indians. India might resort to some sort of gun-boat diplomacy if ethnic Indians are persecuted. Senior naval officials have, however, dismissed this prospect, contending that ethnic Indians are present almost all over the world and it would be physically impossible to go to their rescue. India's helplessness in responding to the developments in Fiji in 1987, which greatly affected the rights of the ethnic Indians, is often cited in this context. None the less, India did react in support of the Tamils in Sri Lanka. India also strongly reacted to the treatment meted out to the Indians working in Nepal after a trade and transit dispute erupted between the two countries in 1989.

If any Southeast Asian country sought India's help to counter any particular external threat (which would also affect India's security interests), India might extend its military support, although after the Indian experience in Sri Lanka, the chances of India getting involved in any external disputes are remote. However, India may be willing to play a peace-keeping role under the auspices of an international organization, such as the United Nations.

India could acquire some role if the Southeast Asian countries desired India's guarantee for the ZOPFAN concept, as suggested by Singapore's former Prime Minister Lee Kuan Yew in his National Day rally speech in August 1989.[30]

There are better chances of India forging a security relationship of

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a limited nature with one or more Southeast Asian countries as long as such a relationship does not jeopardize its overall position in the region. But it is difficult to perceive such a development taking place in the near future.

India can assume a certain security role in Southeast Asia by way of supply of arms (such as India's indigenously developed main battle tank, *Arjun*, its light combat aircraft, missiles, certain naval equipment, etc.).

Many confidence-building measures have been broached which could assuage Southeast Asian threat perceptions related to a stronger Indian navy. Joint naval exercises between India and the Southeast Asian nations could be conducted regularly. India could help train the defence personnel of Southeast Asia, especially naval officers. It could also encourage and support the modernization of Southeast Asian navies in order to deter any external temptation to intervene in the region. India could become ASEAN's dialogue partner for greater economic co-operation for mutual benefit. India and the Southeast Asian countries could also enter into maritime co-operation agreements, particularly coast guard co-operation to protect fishing and mining rights.[31]

However, and in conclusion, whether any of the above confidence-building measures will come to pass, only time will tell.

NOTES

1. In 1987 India imported weaponry valued at US$5.2 billion, more than those of Iraq and Iran combined and twelve times as much as that of Pakistan. *Time*, 3 April 1989, p. 7.
2. *International Business Week*, 27 March 1989, p. 21.
3. Adm. A.K. Chatterji, "Indian Navy: 1947–87", *Defence Review Annual, 1988*, edited by S.S. Gandhi (New Delhi, 1989), p. 66.
4. *Naval Aviation: A World History* (New Delhi: Allied Publishers and Birla Institute of Scientific Research, Economic Research Division, 1984), p. 105.
5. These were: 14th Frigate Squadron — *INS Kuthar, INS Kirpan, INS Khukri*; 15th Frigate Squadron — *INS Trishul, INS Talwar*; and 16th Frigate Squadron — *INS Brahmaputra, INS Beas, INS Betwa*. K. Sridharan, *A Maritime History of India* (New Delhi: Ministry of Information, Government of India, 1982), pp. 323–24.
6. Sridharan, op. cit., p. 330.
7. See prologue to Adm. S.N. Kohli, *We Dared: Maritime Operations in the 1971 War* (New Delhi: Lancer International, 1989).
8. Adm. S.N. Kohli, *Sea Power and the Indian Ocean: With Special Reference to India* (New Delhi: Tata McGraw-Hill, 1978), p. 133.
9. Raju G.C. Thomas, *Indian Security Policy* (Princeton: Princeton University, 1986), pp. 152–53.

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10. Raju G.C. Thomas, "The Indian Navy in the Seventies", *Pacific Affairs* 48, no. 4 (Winter 1975–76): 505.
11. Raju G.C. Thomas, "The Politics of Indian Naval Re-Armament", *Pacific Community* 6, no. 3 (April 1975): 464.
12. "The degree of cooperation between the Navy and Air Force was not in consonance with the requirements of modern warfare. During the initial stages an external agency had to intervene to force the Air Force to carry out reconnaissance to gain information about the movements of Pakistani ships. The air attacks on the Karachi airfield complex were carried out without prior intimation to the Navy which remained unaware which periods would be most suitable for the Western Fleet to carry out shore bombardments". This indicated not only a lack of good co-ordination but also inter-service rivalry. Ravi Kaul, ed., *The Chanakya Defence Annual 1971* (Allahabad: Chanakya Publishing House, 1973), p. 193.
13. There have been reports that these islands are being developed as free trade zones and free ports to attract foreign capital on the lines of Singapore or Hong Kong. In such an event their strategic location would become all the more important.
14. Jasjit Singh, "Indian Ocean and Indian Security", *Satish Kumar Yearbook on India's Foreign Policy 1987–88* (New Delhi: Sage Publications, 1988), p. 133.
15. For the Indian and American perspectives of the Indian Ocean region, see Selig S. Harrison and K. Subrahmanyam, eds., *Super Power Rivalry in the Indian Ocean* (New York: Oxford University Press, 1989).
16. Jasjit Singh, op. cit., p. 131.
17. Rita Manchanda, "Role of Aircraft-Carriers in Indian Navy", *Patriot* (New Delhi), 4 September 1986.
18. *Military Balance 1989–90* (London: International Institute for Strategic Studies, 1989), p. 160.
19. Aditya Chibber, *National Security Doctrine: An Indian Imperative* (New Delhi: Lancer International, 1990), p. 20.
20. Ibid.
21. For a detailed discussion on India's diplomatic role in Southeast Asia up to the mid-sixties, see D.R. Sardesai, *India's Foreign Policy in Cambodia, Laos and Vietnam, 1947–1964* (Berkeley: University of California Press, 1968).
22. Mohammed Ayoob, "Southeast Asia in Indian Foreign Policy: Some Preliminary Observations", *Contemporary Southeast Asia* 9, no. 1 (June 1987): 3.
23. Ibid., p. 2.
24. John W. Garver, "China-India Rivalry in Indochina", *Asian Survey*, November 1987, pp. 1205–19. It may be mentioned here that India under the new Janata government in New Delhi genuinely tried to improve its relations with China. China attacked Vietnam while the Indian foreign minister was in Beijing on a goodwill visit. In protest, he suspended his visit and returned home, which stalemated Sino–Indian relations. When the Congress Party was voted back into power in 1980, Prime Minister Indira Gandhi probably purposely extended strong support to Vietnam and recognized the Heng Samrin government partly in reaction to the Chinese attitude, and partly to fulfil the election promise of according recognition, while the Janata government was vascillating to do the same. The combination of internal and external factors should be kept in mind while assessing India's Kampuchean policy.
25. *Defence and Foreign Affairs Weekly*, 4–11 July 1989, p. 4.
26. "Southeast Asian Countries Should Watch Indian Military Development", *Indonesia Times*, 16 August 1989.

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27. Ross H. Munro, "Super Power Rising: Propelled by an Arms Buildup, India Asserts its Place on the World Stage", *Time*, 3 April 1989, p. 9.
28. Michael Richardson, "East Asia and Western Pacific Brace for an Ascendant India", *International Herald Tribune*, 4 October 1989.
29. Ibid.
30. The ZOPFAN concept and the role of major powers are already subject to various interpretations. Acquiescence of the Indochina countries is indispensable to the implementation of this idea. It is unlikely that this idea will be realized in the near future.
31. The idea of maritime co-operation in the Bay of Bengal region is being explored by Professor K.R. Singh in his forthcoming study. According to him, India is technologically in a position to help Southeast Asia in offshore drilling for oil, sea-bed mining, etc. Hence, a maritime co-operative effort between India and the countries of Southeast Asia would be mutually highly beneficial and would in part obliterate any suspicions about the Indian naval expansion.

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Indian Naval Buildup and Southeast Asian Security: A Pakistani View

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India's naval buildup continues apace. Its maritime strategy envisages an inner zone covering the South Asian region in which it seeks complete acknowledgement of its status as the dominant power. The surrounding zone extends to Southeast Asia and Africa where India seeks to neutralize outside naval presence, having failed to dislodge such presence through non-aligned diplomatic pressures. There is a danger beyond the short term that India and China may become naval rivals in Southeast Asia. The continued expansion of the Indian blue-water navy could also evoke responses from Japan.

In order to play a great power role in the Indian Ocean region, India not only needs to be acknowledged as the dominant power in South Asia but must also demonstrate its ability to play the role of a regional policeman. Over the last two decades India has acquired the requisite strength as well as demonstrated its interventionist tendencies, first in East Pakistan in 1971, in Sri Lanka in 1987, and in the Maldives in 1988.

The British decision to withdraw from east of Suez in 1967, *inter alia*, influenced the United States and the Soviet Union to move into the Indian Ocean.[1] The naval presence of the big powers and India's inability to demonstrate its military superiority in the 1965 Indo–Pakistani armed conflict discouraged India from displaying its quest for regional supremacy. However, the Indian victory in the 1971 Indo–Pakistani war, which also caused the dismemberment of Pakistan, followed by the successful explosion of an Indian nuclear device in 1974, encouraged India to accelerate its military expansion with the aim of achieving great power status in the

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Indian Ocean region. The victory over Pakistan in 1971 also provided the much needed confidence that had been so badly damaged during the Sino–Indian war in 1962. The quest for great power status led India to develop a blue-water navy. With the Soviet Union's emergence as a major supplier of naval equipment, the Indian navy embarked on a programme of modernization and expansion.[2] The 1980s witnessed a rapid growth of the Indian navy, currently the sixth largest in the world, which is undergoing further expansion and modernization.

The Historical Experience

At the time of partition of British India in 1947, the Indian navy inherited four anti-aircraft frigates, two anti-submarine frigates, one corvette, twelve minesweepers and one survey ship.[3] Many British officers were retained, while some Indian naval officers were given rapid promotion. The retention of Lord Mountbatten (the last Viceroy of British India) as the first Governor-General of independent India proved to be extremely useful. The navy not only benefited from his experiences as Britain's naval chief during World War II but his association with India also secured Britain's "unstinted" support to India.[4] Two years after independence, India was able to buy three "R" class destroyers from Britain. In 1954, three more Hunt class destroyers, together with a fleet tanker capable of carrying 3,000 tons of furnace fuel oil, joined the Indian navy.[5] Another useful addition was a cruiser of the Fiji class that was commissioned in 1957.[6]

The development of the Indian navy during the first fifteen years of independence was, however, relatively slow compared to the growth of its army and air force. Two factors account for this. First, in the immediate post-independence period, Indian threat perceptions were heavily land-oriented. Perceived threats from China and Pakistan were viewed with serious concern. Although Pakistan's military forces were much smaller than India's, the former's participation in Western-sponsored defence alliances (SEATO and CENTO) made the Indians uneasy. Secondly, in the first decade, the importance of the Indian Ocean for India's national security was somewhat played down.[7] The Indian Ocean did not attract India's attention until Britain's decision to withdraw from east of Suez in 1967, although many leading Indians had asserted from time to time that India would play a dominant role in the Indian Ocean.[8]

During the initial phase, the Indian navy was heavily dependent on old ships. In fact, most of the ships acquired immediately after independence were almost obsolete. The need for newly built ships was realized towards the end of the 1950s. Three frigates were purchased and an order was also placed with Britain for a refitted and updated aircraft carrier, which

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joined the Indian navy in 1961 after being renamed *Vikrant*.[9] Although the Indian navy's growth was not spectacular in the initial period, it was fairly balanced. Apart from the acquisition of old refitted naval vessels, this period also witnessed the establishment of various training facilities at different places.[10] In addition, during this period the Indian navy was completely indigenized. It became truly national when Vice-Admiral R.D. Katari became the first Indian Chief of Naval Staff.[11]

Efforts to strengthen the Indian navy were renewed soon after the Sino–Indian conflict of 1962, but real progress was made only a few years later.[12] The poor performance of the Indian military in the Sino–Indian border war led to a comprehensive defence review. Although the navy did not participate in the 1962 conflict, the new defence plan took cognizance of the navy's ageing vessels. There were two additional factors. First, the buildup of the Indonesian navy had already been initiated by President Soekarno. By the time he was deposed in 1966, Indonesia had acquired a sizeable submarine and destroyer fleet, which was considerably larger than the Indian navy.[13] Secondly, China was steadily building its naval fleet, and the humiliating defeat in 1962 made the Indians acutely conscious of China's overall military strength. The new Indian defence policy not only recognized the need to replace the ageing ships but also accepted the necessity of a submarine fleet.[14] The Minister of Defence told the Indian Parliament in 1963 that India was interested in acquiring three frigates, three destroyers, a submarine and a couple of minesweepers.[15] The United States was not very receptive to the Indian requests and asked India to approach Britain. Lord Mountbatten was again extremely helpful in advising India on defence matters when he visited Delhi in 1964. There he met the service chiefs and senior Defence Ministry officials, and also played a useful role in finalizing an agreement for the construction, under British licence, of Leander class frigates at the Mazagon Docks in Bombay.[16]

Apart from securing more funds for the frigate programme, however, nothing of much significance was attained during the early 1960s. It was in the second half of the decade that the navy's ambitions began to materialize in tangible form. An agreement was signed with the Soviet Union in 1965 for the purchase of a submarine squadron, along with initial training in the Soviet Union and the setting up of training facilities at Vishakhapatnam, which was to be developed as a full-fledged base on the east coast.[17] The deal was significant in the sense that until 1965 almost all naval supplies had been bought traditionally from Britain. By the time this deal was struck, the Soviets were already involved in strengthening India's air force by supplying MIG aircraft.

The 1965 Indo–Pakistani war and subsequent events sharpened the focus on two aspects of Indian naval capabilities. When the war started,

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the Indian navy was undertaking its annual exercises in the Bay of Bengal and by the time it reached the Arabian Sea, two Pakistani naval vessels had already carried out a successful raid on Divarka.[18] The ability of the small Pakistani navy to perform effectively caused some serious concern. The second development that attracted the attention of naval planners during the 1965 Indo–Pakistani conflict was the Indonesian offer of military supplies (including naval vessels) to Pakistan.[19] These developments, together with the steady growth of the Chinese navy, made the Indian naval lobby's arguments more credible. Meanwhile, the navy chief, Vice-Admiral A.K. Chatterji elaborated his concept of sea power, asserting that it was a combination of many factors, including a flourishing mercantile fleet, a sea-faring community, a commerce-minded people, and a navy capable of defending at sea. He also highlighted new proposals for additional warships, the replacement of Seahawk aircraft, and even a new aircraft carrier.[20] In 1967 the concept of a two-fleet navy (one for the western coast and the other for the Bay of Bengal) began to gain support both inside and outside the Indian Parliament.

The concerted efforts of the naval lobby began to bear fruit in 1968 when the Chief of Naval Staff was elevated to the rank of full Admiral. The first of the Soviet "F" class submarines, *INS Kalveri*, also joined the Indian navy in July 1968, while another was commissioned at the Soviet base in Riga.[21] In October 1968, Prime Minister Indira Gandhi launched the first Indian-built frigate, *INS Nilgiri* at Mazagon Docks in Bombay.[22] In addition, the two commands were established, with the eastern fleet headquartered at Vishakhapatnam, and the western fleet at Bombay. The following year, 1969, was equally fruitful. Petya class destroyer escorts (*INS Kamotra* and *INS Amba*) joined the Indian navy and a helicopter squadron was formed at Goa to meet air–sea rescue requirements. The construction of the naval dockyard at Vishakhapatnam also began in August 1969, together with the establishment of a few more training centres at Goa, Cochin and Lake Chilka.[23] However, the debate surrounding the second aircraft carrier ended with the decision not to acquire one for the time being. Instead, emphasis was placed on developing and strengthening the naval facilities on island territories and the navy's air support arm.

Towards the end of the 1960s a new naval plan was worked out, which emphasized the optimum use of existing ships and their phased replacement with Leander class frigates. The plan also called for minimizing the heavy dependence on external sources of supply and gradually increasing self-reliance.[24] Budgetary allocations to the navy registered a marked increase, and political support also gained momentum as the government grew "more conscious of the increasing significance of Indian maritime interests".[25] A further boost to the Indian navy was provided

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by its performance in the 1971 Indo–Pakistani war. A night raid at Karachi harbour and the effective control of the entrance to the East Pakistani ports of Chittagong and Khulna by the Indian eastern fleet put the Indian navy in the limelight, thus strengthening the naval lobby.

With the dismemberment of Pakistan and the Indian navy's relatively better performance during the war in 1971 than in 1965, the Indian navy assumed greater significance in overall defence planning. Interestingly, the upgrading of the Indian navy took place at a time when the vociferous and somewhat exaggerated threat from Pakistan had diminished considerably. However, the war of 1971 — in particular, the sinking of the frigate *INS Kukri* by a Pakistani submarine — also highlighted the Indian navy's deficiencies, underscoring the need to reduce dependence on British naval supplies by turning to the Soviet Union for some procurements.

By 1975, the Indian naval force consisted of 30,000 men, one aircraft carrier, 8 submarines (all Soviet "F" class), 2 cruisers, 3 destroyers, 26 frigates (10 Soviet Petya class), 8 missile boats (all Soviet OSA class), 9 coastal patrol boats (5 of them Soviet Poluchat class), 3 landing craft (Soviet Polocny class), 20 other minesweepers, seaward defence boats, and landing ships.[26] Much of the Indian naval air force, however, continued to consist of British Seahawks and French Alize fighters, British Sea King helicopters, and Alouette III helicopters (manufactured with French collaboration by Hindustan Aeronautics Limited), although orders for Il-38 fighters had been placed with Moscow to replace the British Seahawks.[27]

The 1970s witnessed a steady growth of India's naval power. Apart from securing a large number of naval vessels from the Soviet Union, concerted efforts were made to greatly increase the shipbuilding activities at the Mazagon Docks in Bombay and the Garden Reach Workshop in Calcutta. While the facilities for indigenously built ships were enlarged at Bombay, those developed at Vishakhapatnam catered for vessels of Soviet origin (the "F" class submarines, Petya class escorts, OSA class patrol boats, and so forth).[28] Another development was the resolution of the maritime reconnaissance debate. Despite the air force's opposition, the government decided to allow the navy to control maritime reconnaissance and anti-submarine operations, and sanctioned the purchase of Il-38 ASW (anti-submarine warfare) aircraft from the Soviet Union.[29]

The post-1975 period witnessed orders for 8 OSA, 8 Nanuchka and 2 Kashin class vessels, 5 Ka-25 Hormone ASW helicopters, 92 SSN-11, 8 SSN-2, and 144 SSN-9 missiles from the Soviet Union, and 8 Sea Harriers, together with 5 Sea King ASW helicopters from Britain.[30] In addition, the aircraft carrier and the OSA class boats were modernized, while the fifth Leander class frigate *INS Taragiri* (equipped with advanced ASW weapons) and Sea King ASW helicopters were commissioned in May 1980.[31] These

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developments inevitably caused a tremendous increase in capital expenditure on the Indian navy (from Rs584 million in 1974–75, spending rose to Rs1,184 million in 1979–80).[32]

The Indian naval buildup triggered fears among the littoral states in the 1980s when the qualitative buildup brought India closer to the status of a major naval power. Acquisitions in two key areas, naval air and submarine capabilities, put India in the spotlight. A third naval air station, *INS Utkorsh* at Port Blair, the Andaman Islands, was established in 1985 and the navy also took over the airfield at Vishakhapatnam.[33] Another naval air station is being set up at Arrokkonam, 75 kilometres north of Madras.[34]

Perhaps the most significant achievements in naval air power are the two aircraft carriers and land-based long-range aircraft. India acquired its first aircraft carrier *Vikrant* (ex-HMS *Hercules*) in 1961, while the second carrier *Viraat* (ex-HMS *Hermes*) joined the Indian navy in 1987. Although *Vikrant* is an old carrier, it has periodically undergone major repairs and refittings. Equipped with Seahawk and Harrier fighters, Alize turboprop, ASW reconnaissance aircraft and Alouette rescue helicopters, *Vikrant* brought an integral air support component to the Indian fleet. The new carrier *Viraat* is equipped with many advanced and sophisticated computer-aided systems. It can also carry relatively more aircraft than *Vikrant*. A third carrier (perhaps India's first indigenously built with the help of French technology), will be commissioned in 1997.[35] By the end of this century, India will possess a three-carrier fleet.

Another significant acquisition comprises the five updated TU-142M anti-submarine and naval reconnaissance aircraft from the Soviet Union, known as "Bear F".[36] The induction of Il-38 in 1978, coupled with ASW helicopters, registered a marked improvement in India's reconnaissance and ASW capabilities. However, the introduction of the TU-142M has meant a major qualitative improvement. The TU-142M "flies at near sonic speed and has a range of 12,000km or 16 hours 45 minutes nonstop flight and space".[37]

By the beginning of the 1990s the Indian navy had acquired nineteen submarines, including one nuclear-powered (recently returned to the Soviet Union). Currently, India is modernizing its existing underwater fleet by replacing Foxtrot with Kilo types from the Soviet Union. Three hunter-killer German submarines (Type 1500) equipped with advanced guided torpedos have already joined the fleet. One of these submarines (*Shalki*) was locally built at the Mazagon Docks.[38]

Apart from having strengthened its air, subsurface and surface capabilities, the Indian navy has also been making steady progress in infrastructure, such as the extension of base facilities, modernizing communication

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facilities, concentrating on indigenous production, enlarging research and development facilities, and expanding the coast guard.[39] Almost all major sections of the Indian navy will be expanded to further strengthen its existing sea-control and sea-denial capabilities (Table 1).

TABLE 1
Indian Naval Profile, 1988–2010

	1988	*1995*	*2010*
Surface			
Aircraft Carrier	2	1	3–4
Cruiser	—	1	3
Destroyer	4	6	24
Frigate	23	24	26
Missile Corvette	5	20	44
Missile Boat	14	14	12
Gun Boat	15	15	15
Minesweeper	19	23	28
Amphibious Vessel	19	19	16
Fleet Auxiliary	12	12	12
Subsurface			
Nuclear-powered Submarines	1	3	4
Diesel	13	19	24
Naval Aviation			
Strike Aircraft	22	40	80
Surveillance/ASW Aircraft	32	50	75
Helicopter	51	62	92

SOURCE: *The Muslim*, 18 March 1988.

The evolution of Indian naval strategy was somewhat delayed because India did not face any naval challenge in the post-independence phase. Moreover, the perceived land threats from Pakistan and China had kept Indian defence planners busy in strengthening the army and the air force. This does not imply, however, that the naval arm was ignored or even down-played. The early acquisition of an aircraft carrier was itself an indication of Indian concerns for maritime security. However, the 1962 Sino–Indian war stirred a new defence consciousness. Thus, the Defence Plan of 1964–69 came into existence. It assessed the available resources

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(both indigenous and foreign) and spelled out the modernization and expansion programmes for each of the services and made proposals for the improvement of border roads and an existing communications network, extension of research and development, and a substantial expansion of defence production in order to drastically reduce the country's external dependence.[40]

Rationale for Naval Growth

Three arguments have frequently been advanced in supporting the desired naval expansion plans. First, the development of the navy should primarily depend upon the geostrategic location of the country and the nation's perception of its role as a naval power in the region. Implicit in this argument is that the Indian peninsula is strategically located in the Indian Ocean, requiring naval capabilities to cover all the three sides (east, west and south). In addition, many leaders had long perceived India to be a potential great power in the Indian Ocean. In order to be truly "great", India needed a powerful navy and a long-term plan since naval strength could not be attained within a short span of time. Secondly, India's continuous economic growth necessitated a parallel growth of its naval power in order to enable the country to protect its sea-borne trade, offshore resources, and sea communications.[41] Thirdly, the advocates of a strong navy argued in favour of some degree of military balance among the three services so that strategic assessments would not be unduly influenced by a dominant arm.[42]

India's naval buildup in the post-1971 war period is often attributed to the American role in the Indo–Pakistani war and the development of Diego Garcia as the latter's naval base in the Indian Ocean.[43] The Indian naval planners opted for a comprehensive naval buildup which could enable the Indian navy to acquire capabilities of sea-control, sea-denial, coastal defence and the protection of its economic zone. The Indian Admiral S.N. Kohli suggested that naval strategy must aim for self-reliance and great power capabilities, and recommended the development of balanced naval forces, including ocean-going forces, coastal defence forces, harbour defence forces, logistic support forces, amphibious forces, and a naval air force.[44] Implicit in these recommendations was the acquisition of a capability to engage in the entire spectrum of naval warfare.

The Indian navy seems to have adopted a dynamic maritime strategy based on the "ring-fence" system with three clearly demarcated zones of operations. The inner zone consists of the territories that formed the British Indian empire (including Pakistan and Burma). Obviously, this means that India would seek an acknowledgement of its dominant position

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by its immediate neighbours. The second and much larger zone of operation extends from Southeast Asia to the African coast. The Indian navy would seek to control this zone, requiring the withdrawal of existing naval fleets and the denial of the Indian Ocean to outside naval powers. The third zone of operation is the entire globe, which implies that the Indian navy, like the navies of the great powers, would be able to cruise around the world.

To deter outsiders, India obviously needs to have a capability that would earn it respect from those equipped with equally powerful, if not greater naval capabilities. With its existing capabilities, many observers agree that if India ever came to a confrontation with a great power navy, it would not be able to control the whole of the Indian Ocean but would certainly be able to exercise control over sizeable parts of the ocean.[45]

Extra-regional Concerns

According to Kautilya, an ancient Indian political thinker, neighbouring states should be treated as enemies (or as potential enemies) and the states beyond the neighbouring countries as friends.[46] Kautilya's concept has been frequently visible in Indian security perceptions and policies during the last four decades. Both China and Pakistan still are, in many ways, viewed as India's major enemies, whereas both Afghanistan and the Soviet Union (neighbours of Pakistan and China) have enjoyed extremely cordial relations with India. Even the policies *vis-à-vis* adjacent regions reflect the extension of Kautilyan principles. Indian policies in the Middle East, for example, include skilful diplomatic moves to counter Pakistani efforts to forge closer links with the regional countries. Similar efforts were directed to counter Chinese influence in Southeast Asia. Just as India's strategic interests in the Middle East are linked to Pakistan's political and military ties with the region, India's strategic concerns in Southeast Asia arise from China's political and military involvement in that region.[47]

India's naval acquisitions and its indigenous naval production efforts clearly suggest that the Indian navy not only intends to dominate the Indian Ocean but also seeks to influence the contiguous ocean areas. In 1988, the former Prime Minister Rajiv Gandhi asserted that the defence of India required its undisputed mastery over the approaches to the country by sea.[48] At a minimum, this implied establishing control over the Straits of Malacca on the eastern side and projecting mobile defences at the western approaches of the Arabian Sea. Thus, India has not only fortified the Andaman and Nicobar islands and the southwestern coastline but has also developed a strong submarine fleet which will form the first

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line of submerged forward defence.[49] Similarly, aware of the strategic importance of Southeast Asian countries, India is engaged in enlarging its embassies, with emphasis on expanding their military wings.[50]

If the Indian navy is compared to that of other likely contenders (China and Japan), the Chinese navy seems impressive in quantitative terms, while the Japanese are not far behind. But Japan seems to be moving towards building its naval strength rather cautiously. This means that India has a decade or two to extend its influence in its wider strategic environment. But the presence of great power navies in the region, which provides much desired insurance to most littoral states and also constrains India's growing naval ascendency, remains a predicament for India. Perhaps that is why India strongly opposes great power naval presence and outrightly dismisses adverse reactions to its own naval expansion.

The Future: Southeast Asia in the Indian Strategic Mindset

Perhaps the most significant implication of India's projected naval buildup concerns its future intentions. One could reasonably assess India's intentions by analysing the historical dimension, its justification for rapid naval expansion, and its vision of itself as expressed periodically by influential individuals.

In 1943, an eminent Indian writer described Southeast Asia as "Further India", implying a historical connection between India and Southeast Asia as well as integral political, social and economic links between the two regions.[51] The historical records not only indicate the existence of Indian kingdoms in Champa, Cambodia and Annam, but also that Indian sea power kept these Hindu kingdoms in the east closely tied to the Indian mainland.[52] Currently, the term "Greater India" is used to describe India's cultural, ethnic and social links with the societies of Southeast Asia. "Greater India" is an expression of recent origin: "it was practically unknown, at least seldom used, though it embodied a definite historical conception, half a century ago".[53] The term implies the enduring influence of Indian culture and Hindu religion. While the influence of ancient Indian civilization survived in some parts of eastern Asia, it rapidly declined in western Asia with the advent and consequent impact of Islam and Christianity.[54]

Many Indian analysts have argued that the sending of the U.S. aircraft carrier Enterprise into the Bay of Bengal during the East Pakistani crisis in 1971 influenced India towards acquiring a naval deterrence capability.[55] If one accepts this logic, then Indonesia has every justification to opt for a blue-water navy and quickly acquire coastal defence, sea-control and sea-denial capabilities. The Indian islands of Andaman and Nicobar are

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less than 200 kilometres from Indonesia and the greatly strengthened naval and air stations at Port Blair pose a direct potential threat to the countries of the Association of Southeast Asian Nations (ASEAN).[56]

India's vast coastline, which is 7,693 kilometres long, gives it almost two million square kilometres of seabed, together with more than 300 islands, which provide a certain amount of justification for an expanded navy. But the scale of naval buildup during the last two decades suggests that the objectives are more than the protection of its vast coastline and island territories. It seems that the Indian navy's force projection role is really an offshoot of a larger political decision to give more "teeth" to India's foreign policy in South and Southeast Asia.[57]

India perceives itself to be a great power destined to play a crucial role in international politics. Given its size, population, strategic location and history, India cannot but aspire to a great power role in international politics, stressed an Indian analyst.[58] As early as 1939, Nehru wrote that "India will always make a difference to the world, fate has marked us for big things".[59] Perceptions like Nehru's may have seemed somewhat premature, but India started behaving like a major power after the dismemberment of Pakistan in 1971 and its nuclear capability was demonstrated in 1974. Indian troops (in the assumed role of a peace-keeping force) on Sri Lankan soil from 1987 to 1990, and India's successful effort to foil a coup attempt in the Maldives in November 1988, are manifestations of the role of a major power which India has assigned itself. Former Prime Minister Rajiv Gandhi categorically stressed in his letter of 27 July 1987, addressed to the President of Sri Lanka, that "Trincomalee or any other ports in Sri Lanka will not be made available for military use by any country in a manner prejudicial to India's interest".[60] Such a tone had not been employed earlier as India neither possessed the military strength, nor had its economic development attained the level deemed necessary, for such confidence or arrogance (of power).

The vastly improved relations between the superpowers indicate a steady regional disengagement, thus encouraging defence burden-sharing which could lead to a withdrawal of their military presence from a given region. The vacuum created by such a withdrawal could be filled by aspiring regional powers, like Indonesia or Vietnam. Alternatively, extra-regional powers like China, Japan and India may attempt to step in.

While Japan has frequently denied any wish to play the role of a regional policeman, despite the fact that its military strength has been steadily growing, in many ways India has demonstrated its willingness to assume a great power status. Compared to India, however, fears of China are more deeply rooted in ASEAN, partly because of past Chinese support of insurgent movements and China's proximity to the region, as well as

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its desire to play the role of a great power. Yet, the existing trends indicate that China is currently focusing its attention more on economic development than military pursuits. The suspension of China's plan to build its first aircraft carrier is often cited as an example of financial constraints that effectively check the modernization of its armed forces.[61] On the other hand, India has built huge air and naval facilities on the Nicobar and Andaman islands near the mouth of the Malacca Straits.

A dramatically different security environment is likely to confront the Southeast Asian states in the 1990s. First, both the superpowers are in the process of military disengagement from the region. Secondly, although the Japanese have repeatedly stressed that they are not interested in assuming a larger military role, their growing naval strength, together with their security concerns over sea-lanes and the reduced American security role, may compel them to opt for a role beyond adjacent waters.[62] Thirdly, there is the lack of common security perceptions among the Southeast Asian countries. Fourthly, the phenomenal growth of India's naval strength, coupled with its demonstrated desire to play the role of a regional power, cannot be treated lightly.

Many regional states are likely to increase their defence allocations in order to strengthen their armed forces. Threat perceptions of various states often become more pronounced when their outside "equalizers" are no longer around, or they decide to reduce their regional involvement. Moreover, the psychological impact of the loss of a counter-balancing power also tends to generate upward pressures on the defence budget. In Southeast Asia, both the superpowers are reducing their roles and a comparative analysis of the defence expenditure of the Southeast Asian states clearly indicates an upward trend.[63] The withdrawal or even the reduced role of the superpowers could encourage aspiring regional or extra-regional powers to attempt to fill the vacuum or dramatically increase their activities in regions of special interest. It is possible that if the aspirants for regional domination are more than one, a new type of regional rivalry may manifest itself. As far as future scenarios are concerned, a Sino–Indian rivalry in Southeast Asia cannot be overlooked, especially when both view the area as strategically important for the security of their legitimate interests.

For India, Southeast Asia is a geographical extension of South Asia and some Indians even regard the two regions as a single strategic entity.[64] Both regions not only share physical contiguity without any formidable barrier (like the Himalayas), but the peoples of the region also share historical, linguistic and cultural affinities.[65]

The reduction of intense ideological and military rivalries between the superpowers could offer possibilities for India to develop balanced relationships with all the major powers.[66] With the gradual military disengagement

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of the superpowers from Southeast Asia, India could work out a *modus vivendi* with China and extend its influence over the whole of the Southeast Asian region. Admittedly, working out such a *modus vivendi*, especially with regard to Southeast Asia, may not be easy as both view the region as an area of their legitimate strategic interests. Both also have sizeable ethnic Chinese and Indian communities living in many of the countries. Nevertheless, for many Indians, China still evokes extreme feelings of "romanticism", from the cordiality generated by the Hindi–Chini Bhai Bhai era in the 1950s to dreams of a Moscow–Beijing–Delhi axis.[67] Although opportunities for developing purposeful relations with China exist, the chances for Sino–Indian relations degenerating into an intense rivalry over Southeast Asia are equally potent. Either eventuality (*modus vivendi* or rivalry) is likely to directly affect the emerging power equations in Southeast Asia.

Conclusion

To conclude, according to one Indian source, India intends to have five to seven nuclear-powered submarines by the year 2000.[68] Another source indicates that India is also preparing to acquire five to seven medium carriers with at least forty aircraft for each carrier.[69] A senior Indian naval planner has indicated that India aims "to overtake Britain and France in the ranks of world navies".[70] Such future aims and plans generate fears among India's neighbours. Perhaps that was why Malaysia's former Defence Minister Tengku Ahmad Rithauddeen had urged India to dispel the fears of its neighbours and assure them that it had no intention to interfere in regional affairs.[71]

India's naval expansion could also cause an arms race with China which would be fraught with dangerous implications for the regional countries that are just moving out of the cold war structures. During his visit to Thailand in 1988, former Prime Minister Lee Kuan Yew aptly described both China and India as potentially troublesome for the regional countries.[72] Some Southeast Asian nations have also started to strengthen their navies. Indonesia, Malaysia and Singapore have all embarked upon naval modernization programmes. Indonesia is also seeking to build a large naval base on the coast of Sumatra in order to effectively guard the approaches to the Straits of Malacca.[73] Even Australia has decided to move half of its navy from its eastern bases to western Australia.

India, of course, denies any aggressive intention and argues that its long coastline, island territories and sea-borne trade require adequate protection.[74] Admiral Nadkarni even went to the extent of saying that the Indian navy is still very small and has a long way to go.[75] Implicit in this

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argument is that India's legitimate strategic interests require further naval growth. Attempts to move towards such a formidable posture could result in many undesirable eventualities:

- It could push the weaker regional states to opt for a client status.
- It could influence the regional leaders to work out a regional defence arrangement.
- It could compel local states to seek great power presence through incentives like burden-sharing, which would frustrate Indian designs.

Perhaps one way to alleviate fear is for India to demonstrate more understanding towards the Southeast Asian countries' security concerns. Neither India's trade nor the presence of overseas Indians warrants the presence of a carrier fleet in adjacent waters. India's total exports to the ASEAN countries were not more than US$423 million and its total imports were about US$1,268 in 1988, not much when viewed in totality.[76] Similarly, the numbers of overseas Indians in Burma, Singapore and Malaysia are not great. Malaysia has the largest number of ethnic Indians, who constitute 11 per cent of its total population, while Singapore and Burma have 8 per cent and 3 per cent respectively.[77] Moreover, the Indian populations in Singapore and Malaysia seem well integrated into the societies.

While the upward trend in defence spending in Southeast Asian countries may primarily be related to the diminishing U.S. presence and fading Soviet role in the region, India's growing force-projection capability also contributes its share, however insignificant it may seem at the moment. India's manifest desire to acquire great power status, including its major buildup of naval and air forces in the Nicobar and Andaman islands, will continue to generate apprehensions among Southeast Asians and could well cause reactions involving responses from China or Japan should India attempt to go beyond its legitimate strategic interests.

NOTES

1. It needs to be pointed out that some Indian writers either did not fully comprehend the implications of the vacuum created by the British withdrawal or chose not to accept the vacuum theory. Instead, they asserted that the vacuum theory was a justification for deeper U.S. involvement in the region. See G.S. Bhargava, *South Asian Security after Afghanistan* (Toronto: Lexington Books, 1983), pp. 149–68.
2. Ibid.
3. See Shahram Chubin, "Naval Competition and Security in South West Asia", in *Sea Power and Influence: Old Issues and New Challenges*, edited by Jonathan Alford (London: International Institute for Strategic Studies, 1980), pp. 95–103.
4. Ibid., p. 319.

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5. Ibid., pp. 319–22.
6. Ibid.
7. Michael Morris, *Expansion of Third World Navies* (London: Macmillan Press, 1987), p. 234.
8. Both Pandit Nehru (the first Indian Prime Minister) and Sardar Pannikar (India's Ambassador) envisaged a dominant role for India in the Indian Ocean. See Jawaharlal Nehru's *Discovery of India* (Bombay: Asia Publishing House, 1965), p. 653. See also K.M. Pannikar's *India and the Indian Ocean* (Bombay: George Allen and Unwin [India] Private Limited, 1971), pp. 92–99.
9. K. Sridharan, *A Maritime History of India* (Delhi: Ministry of Information, Government of India, 1982), pp. 323–25.
10. Boys' training establishment at Vishakhapatnam, Specialist Training Schools in Cochin, Engineering College at Lonavla, Electrical School at Jamnagar, and Supply School Marve Malad, Bombay. A National Defence College was also established at New Delhi in 1960 where senior naval officers study the problems of defence together with officers of the other two services and civilian officers. Ibid., pp. 325–26.
11. Ibid., pp. 326–27.
12. Ravindra Tomar, "Development of the Indian Navy: An Overstated Case", Working Paper No. 26 (Canberra: Strategic and Defence Studies Centre, Australian National University, 1980), p. 1.
13. See Raju G.C. Thomas, "The Politics of Indian Naval Re-armament, 1962–1974", *Pacific Community* 6, no. 3 (Tokyo, April 1975): 454.
14. Ibid., p. 457.
15. Tomar, op. cit., p. 3.
16. Ibid. See also Thomas, op. cit., p. 458; and Sridharan, op. cit., p. 331.
17. Sridharan, op. cit., p. 336.
18. Divarka is a naval station just south of the Gulf of Kutch. See Lt. Commander Ravi Kual, "The Indo–Pakistani War and the Changing Balance of Power in the Indian Ocean", in *Proceedings* (U.S. Naval Institute, May 1973), p. 186. Also quoted in Tomar, op. cit., pp. 5–6.
19. See M. Asghar Khan, *The First Round: Indo–Pakistan War 1965* (New Delhi: Vikas, 1979), pp. 46–47. Also quoted in Tomar, op. cit., p. 6.
20. Ibid., p. 463; and Tomar, op. cit., p. 7.
21. Thomas, op. cit., p. 464; and Tomar, op. cit., p. 9.
22. Thomas, op. cit.
23. Tomar, op. cit., pp. 9–10.
24. Ibid., pp. 11–12.
25. Both President V.V. Giri and Prime Minister Indira Gandhi recognized the increasing significance of the strategic and operational advantages of the sea. In addition, Defence Minister Jagjivan Ram stressed the need for a strong navy to defend the vast coastland, island territories and the growing maritime trade. Quoted in Tomar, op. cit. Budgetary allocations registered a 31 per cent increase from the previous year in overall naval allocation — it was the largest percentage increase in any one year since 1962. See Thomas, op. cit., pp. 466–68.
26. See Raju G.C. Thomas, "The Indian Navy in the Seventies", *Pacific Affairs* 48, no. 4 (Winter 1975–76): 503.
27. Ibid.
28. Tomar, op. cit., p. 19.
29. Ibid., p. 20.
30. Ibid.

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31. Ibid., p. 21.
32. Ibid.
33. Ibid.
34. See Maqsudul Hasan Nuri, "Indian Navy in the 1980s", *Regional Studies* 7, no. 3 (Summer 1989): 5–43.
35. The Chief of Naval Staff Admiral Jayant Nadkarni disclosed the likely year in which India would possess a three-carrier fleet at a Commanders' Conference. See *Jane's Defence Weekly*, 10 June 1989.
36. See *Hindu* (international weekly edition), 14 May 1988. See also *The Times*, 24 August 1988.
37. Ibid.
38. *Indian Express*, 28 May 1989. See also *National Herald*, 10 January 1989.
39. To give an idea about the kind of expansion India has undertaken, let me illustrate the case of the Coast Guard only. Starting in August 1978 with few boats, the Coast Guard has expanded considerably. Currently, it has 38 ships and is aiming to have 100 by the end of the century. For detailed increases (inclusive of budgetary jumps), see *International Defence Review* 23, no. 4 (1990).
40. See V.P. Malik, "Defence Planning System in India", *Strategic Analysis* 13 (April 1990): 29–44.
41. See Raju G.C. Thomas, *Indian Security Policy* (Princeton, New Jersey: Princeton University Press, 1986), pp. 151–57.
42. Ibid.
43. See *Asian Defence Journal*, May 1988.
44. See S.N. Kohli, *Sea Power and the Indian Ocean* (New Delhi: Tata McGraw-Hill Publishing Company Limited, 1978), pp. 103–12.
45. *The Times*, 24 August 1988.
46. Kautilya (a political thinker who lived in the early periods of Indian history) developed this (Mandala) theory in his book *Arthashastra*. Quoted in Raju G.C. Thomas, *Indian Security Policy*, pp. 14–19.
47. Ibid., p. 40.
48. See *National Herald*, 5–11 February 1988.
49. Ibid.
50. Reports indicate that India will be concentrating on enlarging its staff, including appointing naval attaches in Indonesia, Malaysia, Thailand and Singapore. See *Defence and Foreign Affairs Weekly*, 5–11 December 1988.
51. See K.M. Panikkar, *The Future of India and Southeast Asia* (London: George Allen & Unwin Ltd., 1943), p. 1.
52. Ibid.
53. See R.C. Majumdar, *India and Southeast Asia* (Delhi: B.A. Publishing Corporation, 1979), p. 1.
54. Ibid., pp. 14–15.
55. Namboodiri, Ahmad and Sridhar, *Intervention in the Indian Ocean* (New Delhi: ABC Publishing House, 1982), pp. 221–43.
56. *Asian Defence Journal*, May 1988, p. 112.
57. See *Defense and Foreign Affairs Weekly*, 30 May–5 June 1988.
58. See Baldev Raj Nayar, "A World Role: The Dialectics of Purpose and Power", in *India: A Rising Middle Power*, edited by John W. Mellor (Colorado: Westview Press, 1979), pp. 117–46.
59. Quoted in ibid.

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60. See the exchange of letters in *Indo-Sri Lanka Agreement of July 1987*, edited by Shelton U. Kodikara (Dehiwala-Sri Lanka: Sridevi Printers Limited, 1989): 213–14.
61. See Robert Karniol, "Evolving ASEAN Security Issues", *International Defence Review* 23, no. 1 (1990): 31–34.
62. Ibid.
63. Almost all of the regional states registered an upward trend in military expenditure: Indonesia from 2,856 billion new rupiahs in 1985 to 3,378 billion rupiahs in 1989; Malaysia from M$4,320 million in 1985 to MS$4,638 million in 1989; Philippines from 7,827 million pesos in 1985 to 16,447 million pesos in 1989; Singapore from S$2,516 million in 1985 to S$2,920 million in 1989; Thailand from 52,275 million baht in 1985 to 57,176 million baht in 1989. See *SIPRI Yearbook 1990: World Armament and Disarmament* (Oxford: Oxford University Press, 1990), p. 188.
64. See D. Banerjee, "Insurgencies in Southeast Asia: Implications for India", *Strategic Analysis* 13, no. 1 (April 1990): 45–58.
65. Ibid.
66. See C. Raja Mohan, "India's Strategic Environment in the 1990s", *Strategic Analysis* 13, no. 1 (April 1990): 13–28.
67. Ibid.
68. Quoted from the *Patriot*, 1 January 1988, in Nuri, op. cit., p. 33.
69. Quoted from *Times of India*, 12 January 1988, in Nuri, op. cit.
70. *Defence and Foreign Affairs Weekly*, 5 June 1989.
71. "I think India must show to its neighbours including Malaysia and other countries in Southeast Asia, that it does not have any ambitions to interfere in regional affairs," said the Malaysian Defence Minister. See *The Sunday Times* (London), 15 October 1989.
72. Ibid.
73. Ibid. See also *Defence and Foreign Affairs Weekly*, May–June 1989.
74. See Defence Minister K.C. Paul's arguments in *The Hindu*, 23 April 1988.
75. Ibid.
76. For details, see *UN Statistical Yearbook for Asia and the Pacific 1989* (Bangkok: Economic and Social Commission for Asia and the Pacific, 1989), pp. 141–42.
77. The percentage of ethnic Indians includes some Pakistanis as well. For details, see Sukhumbhand Paribatra and Chai-Anan Samudavanija, "Internal Dimensions of Regional Security in Southeast Asia", in *Regional Security in the Third World*, edited by Mohammed Ayoob (London and Sydney: Croom Helm, 1986), pp. 63–65.

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India's China Policy in Historical Perspective

A.R. BASU

The relationship between two of the major Asian powers, India and China, has been one characterized by tension since the 1950s. This tension erupted into conflict in 1962 over the long-standing border dispute between them. Whilst this dispute still remained unresolved and therefore a continuing source of friction, the 1980s saw a steady improvement in the bilateral relationship, with greater cultural and trade links being forged. This article argues that although the border dispute will remain largely unresolved and despite the fact that there will be a reinforcement of their natural rivalry due to a growing awareness of their relative importance in the region and the resultant competition for influence, the recent emphasis on increased bilateral co-operation will continue. India's policy towards China is being governed by the desire to avoid damaging, external disputes because of continuing political instability at home.

Since the 1950s India's relations with China have undergone various stages of development. Nehru's dream of converting Asia into an "area of peace" under the joint leadership of India and China led to an exuberant phase of friendship, but the underlying fact of potential rivalry for regional dominance between the two could never be wished away. Well before the Sino-Indian border conflict of 1962, China had been befriending Pakistan since the Bandung Conference in 1955, despite the latter's close alliance with the United States.

Though the Sino–Indian border conflict ended friendly relations between the two countries, India still continued to support the cause of

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China's entry into the United Nations. Other developments, however, prevented any significant move towards the normalization of relations between the two countries, such as the Cultural Revolution in China when Indian diplomatic personnel were assaulted in China, the political uncertainty resulting from the split in the Indian National Congress (1969), and the Indo–Pakistani War over Bangladesh in 1971. The chances of breaking the stalemate between India and China were further thwarted by the Sino–Soviet conflict during this period, the Sino–American *rapprochement* in 1971, and the conclusion of the Indo–Soviet Treaty of Friendship and Co-operation in August 1971.[1]

But after 1974, a change occurred when Chinese policy towards the South Asian region underwent modifications.[2] A communiqué issued at the end of the Pakistani Prime Minister Z.A. Bhutto's visit to China in May 1974 made favourable reference to the agreement reached between Bangladesh, India and Pakistan following the 1971 war, as it created positive conditions for the normalization of relations and amity among the South Asian countries. The communiqué said that China and Pakistan hoped to develop good neighbourly relations with other countries of the South Asian subcontinent. Chinese support for good neighbourly relations in the region was based on the assessment that adversarial relations between the South Asian countries would only facilitate the growing influence of the superpowers in the region, while normalization would be favourable for the growth of Chinese influence in South Asia.

Positive indications of a thaw in Sino–Indian relations were discerned from 1976 onwards with the restoration of diplomatic relations at ambassadorial level, which was regarded as a first step leading to the re-establishment of trade, shipping and banking links, albeit at modest levels.[4]

In 1977 the new Janata government also desired better relations with China, as it would help India to distance itself from the Soviet Union. The Chinese leaders reciprocated, for the same reasons.[5] The Indian Foreign Minister's official visit to China in 1979 was the first high-level visit since the 1962 border conflict and provided an opportunity for an exchange of views between the two countries. Unfortunately, the visit had to be cut short on account of the Chinese invasion of Vietnam, though the two parties managed to clarify their basic positions on the issues that divided them. According to the Chinese news agency, *Xinhua*, the five principles of peaceful coexistence were reaffirmed as the basis for bilateral relations and as the foundation for a settlement of the boundary question that had been "left over from the past when the people of China and India were in a powerless position".[6] China also assured India that it would stop its assistance to tribal insurgents in India's northeastern regions

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of Nagaland, Manipur and Mizoram. China also agreed to allow Indian pilgrims to visit Kailash and Manasarovar in Tibet.

In 1980, Indira Gandhi and her Congress Party were returned to power. While not seeking to weaken India's long-standing relations with the Soviet Union, Mrs Gandhi sought to improve relations with the United States and also with India's neighbours.[7] China's reciprocation was evident in Foreign Minister Huang Hua's attendance at India's Republic Day celebrations at the Indian Embassy in Beijing in January 1980.[8] A few months later, in an interview with the editor of *Vikrant*, Vice-Premier Deng Xiaoping called the Kashmir dispute a bilateral problem in Indo–Pakistani relations, thereby indicating that China would refrain from taking Pakistan's side in the dispute. More significantly, Deng revived Zhou Enlai's package proposals of the 1960s by suggesting that India and China should settle their border problems on the basis of the existing line of actual control and by abandoning their claims in the eastern and western sectors.[9] For India, this was an unacceptable proposal, as it had been for the past twenty years, because it tried to legitimize the Chinese occupation of territory in Ladakh, which had occurred before the border conflict, without offering any territorial compensation to India. Nevertheless, the Indian Foreign Minister P.V. Narasimha Rao, in a statement to Parliament in July 1980, welcomed the Chinese offer as a start to the normalization process. However, difficulties were to arise over India's recognition of the Heng Samrin government in Kampuchea (Cambodia), which the Chinese had been denouncing as a puppet regime of Vietnam. The immediate outcome was the calling off of Huang Hua's forthcoming visit to New Delhi, but it was rescheduled to June 1981, thereby breaking the impasse and paving the way for official-level talks between the two countries.[10]

The Sino–Indian boundary issue (which is the most important agenda-item in official-level talks) has two major geographical foci. The core issue in the eastern sector, which extends from Bhutan to Burma, concerns the validity of the McMahon Line — a demarcation line drawn by the British in 1914. The line follows the Himalayan watershed, ignoring China's claim to more than 70,000 square kilometres south of this boundary. In the western sector, what is in dispute is sovereignty over 24,000 square kilometres of territory comprising northeastern Ladakh and the Aksai Chin. New Delhi's frustration over the loss of territory in the western sector was exacerbated by a 1963 Sino–Pakistani border delimitation agreement whereby Pakistan yielded to China a section of Kashmir claimed by India. This agreement in effect allowed Beijing to outflank Indian defence lines in northern Ladakh.

China's initial view of the contentious border dispute was that it should not be tackled until bilateral relations in the spheres of trade, scientific,

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and cultural exchange programmes had been strengthened. India's position was that the normalization of relations required the simultaneous consideration of their border dispute. During his visit to India in 1981, Chinese Foreign Minister Huang Hua declared that China was now ready to engage in border talks (thereby accepting India's position on the centrality of border issues) and suggested that the post-1962 lines of control could serve as the basis for negotiations.

The first round of negotiations was held in Beijing in December 1981.[11] As neither side expected any substantial progress during the initial round of talks, both reiterated their previously declared positions. Thus, Beijing once again expressed its desire for a comprehensive agreement involving China's recognition of the McMahon Line in the eastern sector and India's surrender of claims to the Aksai Chin in the western sector. For a number of reasons India did not agree to such a proposal. Although New Delhi appreciated China's legitimate defence interests (that is, the protection of the Xinjiang–Tibet road) in maintaining control over the inner part of the Aksai Chin, it rejected Beijing's argument that occupation of the entire area could be justified in terms of strategy. In other words, China's withdrawal to the Karakoram range would still permit the continued defence of its road communications, while satisfying the Indian demand for territorial concessions.

India, therefore, again suggested that the Colombo proposals, formulated by six non-aligned Asian and African nations in 1962, should be the basis of negotiations. The proposal contained the following basic elements: (1) China should withdraw from the western sector which, pending a final solution, would become a demilitarized zone; and (2) in the eastern sector, Indian and Chinese forces could be positioned along the McMahon Line, except for the Thagla ridge and Longju areas, where lines of control could be settled later. When China characterized these recommendations as outdated, India urged that the various issues be treated as discrete entities. This approach entailed an initial focus on more amenable issues, intended to create a positive atmosphere for discussion on more contentious ones. But China rejected this plan.

The second round of negotiations commenced in New Delhi in May 1982. In an earlier press interview, the leader of the Chinese delegation had stressed the need to expand scientific, technical, cultural and trade ties, but at the same time reaffirmed China's unwillingess to accept the validity of the McMahon Line.[12] India, on the other hand, maintained that the development of Sino–Indian relations in other fields would be seriously inhibited by the absence of progress in the border talks. Despite their inflexible attitudes, the two countries made considerable diplomatic progress in the cultural, scientific and technological

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fields in their May 1982 meeting. It was agreed that Indian specialists in oil and railways would visit China and a Chinese delegation would come to India to study advances in wheat breeding and dairy farming. Both sides also agreed to begin cultural co-operation programmes, focusing on the exchange of scholars, dance troupes, and in film and television production.

Three months after the conclusion of the second round of Sino–Indian talks, Pakistan and China signed a protocol opening the Khunjerab Pass on the Karakoram highway to commercial traffic. India lodged diplomatic protests with both signatories, claiming that the Beijing–Islamabad agreement involved an area under "illegal" Pakistani occupation. Despite these protests, India manifested a willingness to settle the Kashmir dispute on the basis of existing lines of actual control, entailing Islamabad's retention of all territory in which Sino–Pakistani road communications are situated.

The sensitivity of the border question was again demonstrated in December 1982, when a troupe of Indian folk dancers from Arunachal Pradesh performed during the concluding ceremony of the Asian Games held in New Delhi. Claiming that much of Arunachal Pradesh was actually Chinese territory, a *Xinhua* commentary argued that the presentation was in effect an Indian attempt to validate its sovereignty over the disputed area.[13] India reacted by issuing a strong protest and cancelling the visit of a three-member official delegation to Beijing. Interestingly, neither side felt that this episode warranted a postponement of the third round of talks, which was held in January–February 1983. In view of India's preoccupation with the preparatory work for the forthcoming non-aligned summit, neither party expected much progress.

Some progress was apparently made during the fourth round in October 1983, when China and India agreed to work towards defining the principles that could be applied in working out a comprehensive settlement of the boundary question through a sector-by-sector approach. Relevant concepts in international law, such as those pertaining to the watershed and the highest crest of a mountain range, were discussed. As reflected in its border agreements with Burma, Nepal and Pakistan in the 1960s, China found such principles acceptable. India also thought these to be compatible with the traditional definition of its borders. With the removal of the impasse, further progress could have been anticipated, but the fifth round in 1984 produced nothing more than an agreement to continue talking.

In 1985, China adopted a distinctly harder attitude on the border dispute, perhaps to position itself for some real bargaining with Rajiv Gandhi's government. When pressed by India to define its package proposal, China imprecisely explained that it meant "mutual concessions" — that is, in

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return for Chinese concessions in the Ladakh (western) sector, India would be expected to offer concessions in the eastern sector.

Having agreed to India's sector-by-sector approach, China now gave priority to the eastern sector. Though it was difficult to ascertain whether it was just a bargaining tactic or reflected a new assessment of China's interests, this new development dashed India's expectation of a solution.

Notwithstanding its demand for concessions in the eastern sector, China was hopeful of reaching an agreement with India. In June 1985, Beijing proposed the reopening of consulates in Shanghai and Lhasa on the Chinese side, and Bombay and Calcutta on the Indian side. But subsequently, India became reluctant to allow the Chinese to operate from Calcutta, which was rather close to the turbulent northeastern tribal regions. For its part, Beijing reconsidered its offer to permit an Indian diplomatic presence in the more volatile atmosphere of Lhasa.

To summarize, between 1976 and 1985, despite sporadic efforts on both sides, the Sino–Indian normalization process had not gathered enough momentum. Yet, the two countries made tangible progress in reducing the level of tensions.

What led the two countries to adopt a less hostile attitude towards each other? Two sets of factors prompted the dialogue between them: a change in mutual perception, and a change in the international climate. During his lifetime, Nehru was the major architect of Indian foreign policy which was largely guided by his personal perceptions. Other strands of thought were more often than not overshadowed by his towering personality and vision. There has undoubtedly been a shift in élite consensus in India on foreign policy in the post-Nehru era. Earlier, Sino–Indian relations had been viewed in the context of the international balance of power, thus primarily in terms of world politics and secondarily in terms of bilateral relations. The emphasis was later reversed as a result of changes in élite perception as well as the composition of the government at the centre.[14]

A similar situation prevails in China whose foreign policy has undergone several changes. During the Cultural Revolution and the early 1970s, China had perceived itself as an international and a revolutionary power seeking to change the global balance of forces. Subsequently, those beliefs were to decline and China began to accept itself as a part of the Third World. Chinese perceptions of India also underwent change. Initially, China regarded India as a pseudo-independent state, but later Deng Xiaoping was reported to have commented to a team of American experts on South Asia that India was an independent capitalist state and not dependent on any big power. China had thus realized that India was an autonomous decision-making power. Such a perception clearly had an important bearing on the Sino–Indian dialogue.

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Relations in the Recent Past

Though no spectacular progress was made during the 1976–85 period, Sino-Indian relations were at least on an even keel. This received a rude jolt during 1986–87. In the areas immediately east of Bhutan, both Indian and Chinese troops increased their border patrolling during the summer months of 1986, which brought them in close proximity and created a tense situation. India lodged a formal protest in June 1986 against "intrusions" by groups of uniformed and non-uniformed Chinese personnel several kilometres inside the Indian territory south of the McMahon Line, in the Sumdorong Chu valley in the Tarang district of Arunachal Pradesh. China not only rejected the Indian protest, but complained that Indian troops had penetrated north of the line of actual control into Chinese territory. In short, both China and India accused each other of identical misdeeds over the same piece of land.[15]

It is worth noting that China chose to reinforce its protest through the U.S. Secretary of Defence, Casper Weinberger, who conveyed to the Indian Government, after a trip to Beijing, the disturbed feelings of the Chinese leadership. George Shultz, the U.S. Secretary of State, also conveyed similar sentiments during his visit to New Delhi in March 1987.

Meanwhile, a curious sideshow was taking place which illustrated the fragile nature of the Sino–Indian normalization process. In the Shillong Agreement of 1975, which had resolved a number of existing problems between the northeastern state of Assam and the adjacent tribal people, the Indian federal government had in effect promised statehood to Mizoram and Arunachal Pradesh at an appropriate time. In 1986, Prime Minister Rajiv Gandhi signed an agreement with Laldenga, the leader of the erstwhile Mizo insurrection movement that China had previously been supporting. Once this constitutional arrangement was made with Mizoram, the next logical step for the government was to grant statehood to Arunachal Pradesh in December 1986. This was done despite contrary advice tendered by the Indian Foreign Secretary at the time, who thought it prudent to delay implementing any change in the status of Arunachal Pradesh. China lodged a formal protest, alleging that this was a unilateral attempt by India to impose the "illegal" McMahon Line on China and which seriously violated Chinese territorial integrity.[16]

Against this background China augmented its military presence in eastern Tibet by bringing in some 20,000 regular troops from the 53rd Army Corps in Chengdu and the 13th Army Corps in Lamzhen. India also strengthened its air power in the border region and redeployed mountain divisions in the northeast. However, no conflict took place as the leaders on both sides acted in time to defuse the tension. Rajiv Gandhi asserted

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in Parliament that China was not planning to attack India: "I do not think there is a China–Pakistan–US axis against [India] . . . . we must overcome the phobia about Sino–Pakistan collusion".[17] The Chinese Vice-Premier, in turn, during his visit to Calcutta, denied rumours regarding the massing of Chinese troops in the border region and gave assurances that there was no need for any apprehension about possible unpleasant incidents.[18] In an effort to repair the relationship, the Indian Foreign Minister, N.D. Tiwari, on his way back from a non-aligned nations meeting in Pyongyang, made a stopover in Beijing where he suggested that since the pending settlement of the border dispute would take time, bilateral relations in other fields should be expanded. This was a significant *volte-face* by India, though it convinced China of the Indian Government's sincerity about improving bilateral relations.

These developments helped to improve the atmosphere between the two countries and led to the eighth round of talks in New Delhi in November 1987, which was held in a rather cordial atmosphere. China was, in fact, particularly pleased by India's assurances of non-interference in Tibet, especially after American criticism of Beijing's suppression of the Tibetans. For the first time some international issues were included in the discussion and the two sides clarified their positions.

The state visit of Prime Minister Rajiv Gandhi to China in December 1988 was a definite step towards overcoming the Sino–Indian confrontation of the past decades. Deng Xiaoping urged that China and India should "forget the unpleasant past".[19] The discussion between Rajiv Gandhi and his Chinese counterpart focused on the border issue, Tibet, bilateral relations, and the international situation.

Implicit in the joint press communiqué issued at the conclusion of Gandhi's visit[20] was that each side had discarded their old positions and agreed to the other's main demand. While India has accepted China's suggestion that friendly bilateral relations could be expanded through a range of exchanges without stressing the centrality of the border problem, China has agreed to a time-frame for reaching a fair and reasonable settlement of the boundary question through peaceful and mutually acceptable means.

Although it seems quite unlikely that India or China will agree in the near future to relinquish their claims to parts of the territory they control, particularly when China regards Aksai Chin (in the western sector) and India considers the McMahon Line (in the eastern sector) as strategically vital, it is equally improbable that either side will resort to arms to gain what it does not hold. In the immediate aftermath of Rajiv Gandhi's visit, specific agreements were concluded for co-operation in the fields of science and technology, civil aviation, cultural exchanges

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and trade. For the first time, a direct air link between Beijing and New Delhi was established and direct dial telephone facilities between major cities in India and China were set up. There has since been an ongoing cultural exchange programme between the two countries which runs for three consecutive years at a stretch.

The current agreement[21] is divided into seven specific sections: Culture and Arts; Cultural Heritage and Archaeology; Education; Broadcasting; Films and Television; Press; Books and Publications; Sports; and Social Sciences. The bilateral agreement also has a miscellaneous section which provides that additional proposals not included in the current programme may be considered and implemented by mutual consultation. As part of this programme, a three-member Chinese delegation led by Li Zhenli, Deputy Division Chief of Overseas Studies, visited universities and other academic institutions in India in October 1990. The delegation announced that the number of Chinese students who come to India every year would be increased from twelve to fifteen. China also sent the Nanchang Puppet Troupe of Sichuang to take part in the India International Puppetry Festival held in September 1990. In the same year, China also sent the Guangdong Modern Dance Troupe to participate in India's International Dance Festival in December 1990.[22]

Another breakthrough in Sino–Indian relations was achieved when the Foreign Minister of Chandra Sekhar's government paid an official visit to China in February 1991.[23] The outcome of the visit, which was immediately followed by another official visit of the Indian Commerce Minister, was very encouraging. It gave a boost to the existing ties, and both sides also agreed to open consulates in Bombay and Shanghai, and to initiate another round of meetings of the joint working group on the border issue, before June 1991. China and India have opened border trade and India acquired, in the Commerce Minister's words, "the China option for petroleum product imports". With the exchange of the draft agreement on border trade, the Indian Commerce Minister, Dr Subramaniam Swamy, told Indian journalists that "one more remnant of 1962 has been removed".[24] He also expressed the hope that Sino–Indian trade could be increased from the current annual value of US$150 million to US$1 billion within three to four years.[25]

There have, thus, been growing indications of improved Sino-Indian relations since 1988. For all practical purposes, the Indian Government seems to have accepted the Chinese "package" deal on the border issue. In other words, both sides will now be interested in maintaining the *status quo* in the border areas and will strive for positive developments in other areas. Of course, given the quasi-federal structure of the Indian polity and its vocal parliamentarians, no political party, or a coalition aspiring to form

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the government at the centre, can accord formal and open recognition of the Chinese "package" proposal. Such an act would be politically suicidal. Since 1962, Indian public opinion, through the mass media and parliamentary debates, has been moulded to view China as the aggressor and the illegal occupier of Indian territory. Just as India is averse to giving away any part of the territory on the eastern sector claimed by China, India cannot expect China to act in a manner contrary to its national interests. Thus, a tacit acceptance of the *fait accompli* suits the interests of both parties. It could, of course, be the case that the steady improvement of bilateral relations in other areas may in future generate a more propitious atmosphere for evolving a new formula to settle the border question. This, however, remains entirely speculative at this juncture. At the moment, the *de facto* maintenance of the *status quo* on the border issue and the concentration on developing relations in economic, scientific and cultural fields seem to be the only sustainable course open to both countries.

Relations in the Future

After the general election in 1989, the position of the central government in India has been rather weak. A more or less similar situation will prevail in the foreseeable future. After much socio-political turbulence, India is going to the polls in May 1991 for the second time in sixteen months (normally such elections have been held after five years). It is almost certain that no political party will be able to secure an absolute majority at the parliamentary election, enabling it to form the government all by itself. Such political instability, coupled with the weakness of the central government and the recent experiences of the Gulf War, will act as a deterrent against raising any issue which may jeopardize India's relations with its immediate neighbours. A weak central government will not even be in a position to provoke any issue with its neighbours, like Pakistan or China, in order to divert the public's attention from ever growing internal problems. The recent agreements with Pakistan to ease tension on the border and along the line of control in Jammu and Kashmir are a case in point.

India's efforts to develop friendly relations with China can also be seen from its public silence on the Tiananmen Square incident of June 1989 and the decision to continue dialogue with the Chinese Government, though the incident provoked almost worldwide criticism of Beijing. India has made it clear that it will not interfere in Tibet or in other internal Chinese problems.[26]

The Chinese ideological stance has mellowed. China has been mending its fences with the two superpowers. Seeking a larger role in the South

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Asian region, however, can only be possible when China can adduce credible evidence of its desire to pursue peace and non-interference in the region. This is why China has stopped interfering in the Kashmir problem between India and Pakistan, both in word and in deed.

Economic factors will also help normalize Sino–Indian relations in the future. In a recent seminar on development patterns in China and India, sponsored by the Indian Council for Research on International Economic Relations in collaboration with the London School of Economics and the Chinese Academy of Social Sciences, Sino–Indian growth patterns were studied in depth: the conclusion was that the two countries, which account for 40 per cent of the world's population, have complementary economies where the experiences of one could be useful to the other.[27]

Given its modernization plans, China is also in urgent need of economic development, for which an expansion of trade in the region would be an important step. India is an important member of the South Asian Association for Regional Cooperation (SAARC). An increase in border trade between India and China may lead to increased Chinese trade with other SAARC countries.

Though there are many pointers that suggest an easing of tension between the two mega-states of Asia, it must also be remembered that India and China are natural rivals. In addition to their border disputes, both have a strong sense of self-esteem. They are well aware of their status and strength as ascending powers in Asia, and both have substantial military power. They have long competed for influence in states such as Nepal, Bhutan and Bangladesh. China also finds its diplomacy towards Afghanistan, Cambodia, Vietnam, as well as South Asia in general, and Pakistan in particular, to be at cross purposes with India's interests.

Another more recent aspect of latent Sino–Indian rivalry relates to their growing maritime activities. India's naval ambitions extend across most of the northern Indian Ocean, including eastwards to the Andaman and Nicobar islands in proximity to the Malacca Straits, near Indonesia and Malaysia. In 1985, China's longest naval voyage since the fifteenth century took place when Chinese warships entered the Bay of Bengal and the Arabian Sea. They made calls at Bangladeshi, Pakistani and Sri Lankan ports. Although the move was not apparently intended to question India's view of its status in the Indian Ocean, that was its very effect.[28]

Currently, the academic view gaining ground is that India and China (along with Japan) may compete with each other to replace the United States when the Americans eventually pull out their forces from Southeast Asia.[29] But neither India nor China is likely to take any step that may have an adverse impact on their bilateral relations, or jeopardize their position on the continent.

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In the coming years, the outbreak of any major conflict, between India and China does not seem possible. India and China will keep a cautious, watchful, eye on each other's activities in South and Southeast Asia, but at the same time work actively towards greater bilateral co-operation and exchange for mutual and regional well-being.

NOTES

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14. Ibid., pp. 52–53.
15. For details, see Mansingh and Levine, op. cit., pp. 41–42; and Baral, Mohapatra and Mishra, op. cit., pp. 261–63.
16. Mansingh and Levine, op. cit., p. 38; and *Indian News* (Washington D.C.: Embassy of India, 16 March 1987), p. 2.
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The Cambodia Conflict: The Path towards Peace*

FRANK FROST

The article examines the recent evolution of the Cambodia conflict, the positions of major internal and external parties, and prospects for settlement in mid-1991. Conflict persisted throughout the 1980s at the domestic, regional and international levels simultaneously, and efforts at negotiation were confronted by two intractable obstacles: the Cambodian parties' bitter divisions and the impasse in Sino-Vietnamese relations. Major changes at the regional and international levels in the late 1980s affected the conflict substantially: the "State of Cambodia", while withstanding with difficulty the challenge from the guerrilla coalition's National Government of Cambodia, faced severe cuts in its external support; regional and international tensions over the conflict declined after Vietnam's withdrawal of forces in 1989; and the United Nations developed in 1990 a detailed framework for settlement. Up to mid-1991, the outlook for negotiations still seemed unpromising, but developments in Jakarta and Pattaya enhanced settlement prospects. Durable peace, however, would require not just an absence of conflict but also socio-economic reconstruction and political stability.

For more than twelve years after Vietnam's invasion displaced the Khmer Rouge regime, Cambodia has been enmeshed in conflict. The conflict has been deep-seated and has involved suspicion, hostility and confrontation on a number of levels: national, regional and international. Since the late 1980s a process of negotiations has been pursued intensively, and at the international level a substantial degree of accord on the principles for a comprehensive settlement achieved, focusing on the framework developed

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by the five permanent members of the United Nations Security Council, with the active support of other countries including Australia. At the regional level, there has been a reduction of tensions over the conflict in the wake of Vietnam's withdrawal of forces in 1989. However, the improved climate at the international and regional levels had not (until mid-1991) begun to be accompanied by the alleviation of the condition of suspicion, hostility and lack of trust among the Khmer parties or among some of their key supporters, most notably China and Vietnam. In this situation, the conflict continued, to the severe disadvantage of the Cambodian population.

In mid-1991, prospects for negotiation and settlement appeared to brighten, in the wake of the meetings in Jakarta and Pattaya although important issues and challenges remained. This article seeks to provide an overview of the Cambodia conflict, its recent evolution and the prospects for settlement as they appeared in June 1991. The article considers in turn the domestic level of conflict (the State of Cambodia, the resistance coalition's "National Government of Cambodia" and the Cambodian refugees), the changing pattern of international and regional interests in and approaches to Cambodia since the mid-1980s, the evolution of efforts at negotiation, the U.N. peace proposals of 1990 and debate about those proposals, the state of dialogue and negotiation in 1991, and Australian policies towards Cambodia.

THE CONTENDING PARTIES

The State of Cambodia

Since 1979, most of Cambodia has consistently been under the control of the regime based in Phnom Penh, named (since 1989) the State of Cambodia (SOC). The SOC has gradually built up an administration, with extensive help from Vietnam, the Soviet Union and the former "Eastern bloc" nations. Recently, however, it has encountered increasing problems in maintaining its position. Politically, there were signs of internal divisions in 1990, and the economy experienced instability in the face of the continuing conflict and a substantial reduction in assistance from the Soviet Union and Eastern Europe. The SOC in 1991 remained gravely handicapped by international isolation and an inability to obtain large-scale development assistance from Western nations.

The government in Phnom Penh was inaugurated in January 1979, just after Vietnam's invasion, as the People's Republic of Kampuchea (PRK). The government's political and institutional character reflected socialist models, with a dominant ruling party, the Kampuchean People's Revolutionary Party (KPRP), as the key political force. Cambodia's only national election since 1972 was held in 1981, when a National Assembly

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of 117 was chosen; all candidates who ran were approved by the pro-regime Kampuchean National United Front for National Salvation (KNUFNS). The nascent government in Cambodia in 1979 faced massive problems as a recent report by the United Nations Development Programme (UNDP) has re-emphasized:

> Cambodia in 1979 was a ruined country. Much of the previously urbanized population, including most educated individuals, had not survived the rigours of the 1975–1978 period. The country was left with only a handful of lawyers, fewer than 50 trained physicians, and no more than 5,000 teachers. Surviving managerial and technical cadre also were few in number. The country's economic infrastructure was largely destroyed, either intentionally or by long years of war and neglect. The country lacked both the human and animal power for rice cultivation or other agricultural activities, and also lacked the necessary inputs such as seed, tools or fertilisers. Industrial enterprise had all but ceased. The country was without even a rudimentary health care system, lacking trained staff and even the most basic of medical supplies. Schools had been destroyed or used for other purposes, and there were no textbooks or other educational materials. The country had no effective government, and no administrative structure was in place.[1]

With very extensive Vietnamese advice and support (especially in the early years after 1979) the Phnom Penh regime built up the basis of an administration and restored basic services such as education and health, albeit with great difficulty. In the "emergency" phase of international assistance to Cambodia just after the overthrow of the Khmer Rouge regime, Cambodia received about US$680 million over a three-year period from 1979. From 1982, however, international assistance decreased greatly and the Phnom Penh regime had to rely on much more modest aid from the socialist countries.[2] The PRK regime maintained in this period a clear alignment with Vietnam, and with the Soviet bloc overall.

In 1989, as the withdrawal of Vietnam's combat forces drew near, the Phnom Penh regime made major efforts to enhance its image and credibility as a government. The regime in 1989 took a number of steps to liberalize its style of administration and broaden its bases of support. In late March 1989, the State Council issued a decree on the establishment of a Comission for Amending the Constitution of the PRK. The Commission included two overseas Cambodians as vice-chairmen — In Tam, a former Lon Nol regime general, and Pung Peng Cheng, Prince Sihanouk's former Chief of Cabinet — and appeared to be an attempt to accommodate demands for constitutional changes in the context of the ongoing negotiations dialogue. An extraordinary session of the National Assembly from

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29 April to 1 May took further steps; it renamed the country the State of Cambodia, designated Buddhism as the national religion, declared Cambodia's foreign policy to be based on neutrality and non-alignment, abolished the death penalty, altered the national flag, and guaranteed the right to a legal defence. Another significant step was the restoration to individuals of the right to traditional land titles and to inheritance. Later sessions expanded and clarified the meaning of these measures and adopted further measures on ministerial restructuring, import–export taxation reform, and other changes in civil law.

The SOC continues to be dominated politically by the Kampuchean People's Revolutionary Party, which is Leninist in organizational style and ethos although its socio-economic policies have departed considerably from communist norms. The Party has gradually increased its membership numbers from a low level of about 5,000–7,000 in the mid-1980s to about 10,000 by 1988, and 30,000 in 1991. The Party claims to have achieved substantial growth in its provincial organizations. However, estimates of its political strength and capacities have varied. The American specialist Lewis Stern (who is Special Assistant on Indochina to the U.S. Assistant Secretary of Defence) has recently argued, "party strength and political influence continued to vary directly with the distance from provincial capitals and large district seats, and provincial party structures were composed of severely under-strength committees with weak commune-level structures and inadequate leadership.[3]

In mid-1990 the regime's efforts to bolster its image suffered a setback when evidence emerged of internal strain and tensions. In May, a number of prominent personalities were removed from office after what the regime claimed was an "aborted *coup d'etat*". They included one of SOC Premier Hun Sen's known confidantes, Khieu Kanharith, the well-known journalist and editor of *Kampuchea Weekly*. Other personalities arrested included a government minister, several senior bureaucrats and two senior military officers. The Australian correspondent Gwen Robinson wrote in late June:

> Informed sources in Phnom Penh are doubtful an actual coup attempt ever took place; rather, they say, the dissidents were attempting to set up an alternative political movement. The group, which is understood to have connections with Cambodian activities in Paris, was reportedly recruiting supporters with a view to establishing a political party for elections proposed under a plan for a United Nations interim administration in Cambodia.[4]

The dismissals and arrests served to emphasize the strain and pressure that the SOC regime has been under. While Hun Sen has proved adept at representing the SOC externally, in 1990 he was considered to have

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come under pressure within Cambodia and the ruling KPRP, partly because the efforts he had sponsored for negotiations with the resistance factions to try to secure a settlement and access to international aid for the country had not progressed as rapidly as had been hoped, and partly because of suggestions that members of his family had been among those who had gained from the new liberal economic climate.[5] A series of reshuffles in the Party and the government in the second half of 1990 appeared to favour officials supporting more conservative positions than those identified with Hun Sen. Chea Sim, the president of the National Assembly and the second ranking member of the KPRP politburo, was widely seen as having emerged as a dominant figure in the SOC. One commentary suggested that, "Chea Sim is widely thought by Cambodians to be a conservative, communist politician, but he is not generally viewed as particularly pro-Vietnamese. Diplomats describe him as a staunch nationalist who is devoted to maintaining Buddhist traditions in Cambodia".[6] In mid-1991, however, it seemed clear that Hun Sen continued to be a central figure in the SOC, particularly because of his key role in the process of negotiation for a settlement of the Cambodia conflict.[7]

While the liberal economic policies emphasized in 1989 were maintained, the regime's comments on political issues have been more "conservative" — in communist terms — since mid-1990. In a speech commemorating the Party's 39th anniversary, President Heng Samrin declared that, "The Kampuchean People's Revolutionary Party resolutely opposes the idea of a multi-party system, which is regarded as something that would lead to the weakening of the party and an opportunity for the essential re-emergence of the genocidal regime in Cambodia. Only by following the Marxist-Leninist line can our people avoid the danger of the genocidal regime".[8] The government, in early 1991 also announced plans to hold elections in 1992 for the National Assembly, which had originally been elected in 1981 and has had its term extended. It was not clear how the regime would propose to conduct such elections and, in particular, whether all candidates would be expected, as in 1981, to be aligned with the pro-regime National United Front (KNUFNS), or whether a more pluralist approach would be fostered.

The SOC also faces severe ongoing economic problems. Considerable progress has been made in reviving Cambodia's economy since the devastation of the Pol Pot/Khmer Rouge years. Indeed, a recent UNDP report has commented that "...the resurrection of Cambodia and its people is little short of miraculous".[9] However, recovery has been hindered by the continuing conflict, chronic shortages of raw materials and resources, the embargo on development aid which has been imposed since 1979 by ASEAN, the United States and other major Western countries as

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part of the diplomatic conflict over the country's future, and most recently, a significant cutback in assistance from its major sources of aid, the Soviet Union and Eastern Europe.

The SOC has since 1988 sponsored a series of liberalization measures to boost agriculture, including a return to private land ownership and dismantling of the "solidarity groups" or low level co-operatives introduced after 1979. The position of the rural sector, however, remains marginal. Rice production increased from 565,000 tons in 1979 to nearly 2.5 million tons in 1989, but a series of problems hindered production in 1990. A drought severely affected production, especially in Cambodia's southern and eastern provinces. In late 1990 it was reported that many areas of the southern province of Kampot would produce no rice, a situation which was forcing many farmers to migrate to the port city of Kampong Som and other urban areas in search of temporary jobs. Fighting since late 1989 has resulted in the displacement of 120,000–150,000 farmers from their land. It was reported in late 1990 that few of the displaced farmers were able to work the fields in the fertile provinces of Battambang and Banteay Meanchey. Agricultural output has also been badly affected by reduced supplies of fertilizer from the Soviet Union.[10]

In late March 1991, the SOC's official news agency reported that Cambodia would now face a rice shortage of at least 100,000 tons and made an international appeal for food aid. It said the shortage was caused by "a poor 1990 harvest caused by a lack of chemical fertilizers and a long drought". In its appeal, Phnom Penh sought "generous assistance in rice and in agricultural supplies (like fertilizer, pesticides and fuels)" to help the population avoid "any threat to the rice growing campaign of 1991".[11]

Cambodia's small industrial sector, devastated during the Khmer Rouge years, has recovered slowly. From 1988, the SOC began to relax state controls and to reduce subsidies. In a further effort to boost the sector, the Ministry of Industry advertised in August 1989 for domestic or foreign investors to bid for opportunities to invest in twelve state plants, or simply to rent them complete with work-forces and introduce improved technologies. Productivity in industry overall continues to be hampered by shortages of energy and spare parts.

Cambodia has recently attracted some increased interest from business interests in neighbouring countries. Economic contacts with Thailand, in particular, expanded with the warming of relations between former Thai Prime Minister Chatichai Choonhaven and SOC Premier Hun Sen. Trade has flourished through the province of Koh Kong and a considerable proportion of the products sold in Cambodia are made in Thailand. Some limited success has been attained in obtaining foreign investment. The most visible example in Phnom Penh is the Cambodiana, the country's

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only deluxe hotel, which opened in July 1990 with capital from Singaporean interests who are spending US$20 million to complete the 380-room facility. The country's external communications have been greatly enhanced by the opening in October 1990 of a satellite earth station in Phnom Penh, built by Australia's Overseas Telecommunications International (OTCI), which expects to invest $10 million over the next decade and to recoup this by taking a share of the expected extensive revenue. In late 1990, a Japanese timber company, Okada, announced plans to establish a joint sawmill operation and a plywood factory. In June 1991, the SOC received a French delegation representing the Shell and Total Oil companies to assess prospects for oil exploration.[12]

Overall, however, investment has been slow to develop. The country's financial infrastructure is still very limited. Up to mid-1991 Cambodia had no operating commercial bank; it was announced in June that Thailand's Siam Commercial Bank had reached agreement with the SOC to open the country's first commercial bank since the 1970s.[13] Potential investors are also clearly discouraged by the continuing conflict and political uncertainty. Cham Prasidh, a SOC deputy premier with responsibility for the economy, stated in late 1990 that, "It seems a political solution is on the horizon, so many foreign companies prefer to wait and see".[14]

Several recent developments have heightened economic pressures on the SOC. The government has faced increasing difficulty in trying to contain inflation. The Cambodian riel, which had been valued at 360 to the U.S. dollar in April 1990 had been devalued to 560 to US$1 by October. Confidence in late 1990 was also shaken by official attempts to assert some control on free market currency exchanges and sales of goods. The SOC riel is not exchanged in international currency markets. Inflation has badly affected the urban middle classes and salaried workers. Growing corruption in the low and middle levels of the administration has been seen as a direct result of the low wage structure and the pressures of inflation.

In this situation, a major problem for the government has been that it pursued economic liberalization without having the administrative capacity to manage the resulting private growth of wealth, or to be able to gain much financial benefit from this through taxation. As a result, some sectors of the economy have experienced rapid growth and relative prosperity, while simultaneously the government has been severely short of funds for its personnel and programmes and liable to be blamed for the inequalities which are highly evident.[15] In a pessimistic report at the end of 1990, the Economist Intelligence Unit (London) commented that "More than one visitor has compared the current situation, especially the high prices, rapidly plunging currency and starkly contrasting scenes of squalor and conspicuous, wasteful consumption to the final days of Lon Nol".[16]

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The SOC has also been pressed by the impact of changing policies in the Soviet Union and the East European states. In recent years, the Soviet Union had provided Cambodia with about US$100 million annually in credits, technical assistance and grants, which included shipments of strategic goods such as fertilizer, 190,000 tons of petroleum, 20,000 tons each of cement and construction steel, plus cotton, vehicles and medicines. Military aid was estimated at US$30 million per year. Import credits have been vital for the SOC. In 1989, Cambodia imported from the socialist countries goods worth nearly 111 million roubles (US$200.5 million) while it exported less than 27 million roubles of goods; 85 per cent of this trade was with the Soviet Union. The SOC now faces a sharp drop in Soviet aid and from January 1991, it has been required to pay for Soviet goods in hard currency and at international market prices. The Soviet Union is also estimated to be withdrawing about half of its technical advisers, who have played a vital role in many areas, including health and tertiary education.[17] A report on 24 March 1991 highlighted the difficulties the Soviet departures are causing. A Soviet official stated that their meteorologists would begin to leave that week, and that the cuts would affect all sectors, including military advisers, experts working in the water and electricity utility, and possibly pilots flying for Air Kampuchea.[18]

Cambodia continues to face massive problems of reconstruction, both in the immediate future and for the long-term. A report by UNICEF in July 1990 emphasized the scale of the socio-economic problems facing the country. It stated that considerable progress had been made in restoring health services during the 1980s, but that by conservative estimates, the infant mortality rate in 1987 was 133 per thousand, and the "under-5" rate, 206 per thousand. The lack of safe water is one of the most serious continuing threats to health; the proportion of the population with access to safe water is estimated at 21 per cent in urban areas, and 12 per cent in rural areas. Although more than 2,000 deep wells have been drilled, the high iron content makes the water uncongenial to the people, who often continue to use familiar, but contaminated water. Mosquito-borne diseases, including malaria and dengue fever, pose major dangers especially to children. Despite improvements since 1979, malnourishment is still prevalent. In 1988 the Ministry of Health reported that chronic malnutrition, manifested in stunted growth, affected 22 per cent of the children in Phnom Penh and 32 per cent in other areas. The burden of these socio-economic problems have fallen particularly heavily on women who, the UNICEF report indicated, constitute some 64 per cent of the adult population, head some 35 per cent of households and are 60 per cent of the country's farmers. While major gains have been made in restoring educational services since 1979, schools are generally inadequate and ill-equipped and

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many lack water and sanitation facilities. The printing resources of the Ministry of Education are able to meet only 25 per cent of the requirements for school text books.[19]

Long-term reconstruction tasks remain massive. A recent UNDP assessment has highlighted the scale of aid and investment needed. The report said that US$660 million would be needed to develop water resources. Energy shortages would need to be alleviated by the promotion of hydro-electric power. A "massive effort" would be required to repair the transport sector. In agriculture, rice production has improved, but only 64 per cent of the land cultivated in 1960 is cultivated today, and draught animals have declined by half in the decade following 1970. Cambodians also face severe personal danger from mines and unexploded bombs.[20]

While facing these formidable problems, the SOC has remained internationally isolated, although since 1990 this isolation has eased somewhat. No country outside the Soviet bloc was prepared to recognize the Phnom Penh regime after 1979, with the major exception of India (in July 1980). The SOC, however, has recently been able to expand its external connections, but only to a limited degree. In early October 1990, France's Deputy Foreign Minister visited Cambodia and opened an Alliance Francaise Cultural Centre, which some observers have described as a "*de facto* consulate". Phnom Penh has also recently seen a substantial increase in the presence of NGO (non-governmental organizations) personnel, a development welcomed by the government which has expanded its co-operation with them.[21] The SOC's physical isolation has been reduced by improved telecommunications and by expanded air and sea links. By mid-1991, Phnom Penh had a daily air service with Bangkok, direct flights to Singapore were planned and a shipping link between Bangkok and Phnom Penh, closed since 1975, was restored in May 1991. A further step towards wider contacts occured in June 1991 with the official re-opening of cross-border trade with Thailand.[22]

The Resistance: The "National Government of Cambodia"

The SOC has faced political and military opposition from the three Khmer resistance factions. From 1982 these factions have been joined in a loose coalition, with each faction retaining its own separate identity, leadership and military forces. The grouping was formed as the Coalition Government of Democratic Kampuchea (CGDK); Prince Sihanouk, the intermittent President of the coalition, announced on 3 February 1990 that it would now be called the National Government of Cambodia (NGC).

The resistance coalition has been an effective grouping in international political terms as its major sponsors, ASEAN and China, hoped it

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would be. The NGC was able to retain Cambodia's seat in the United Nations till 1990 and, while it has only limited bilateral diplomatic relations, its existence has helped dissuade governments from extending recognition to the SOC. However, the NGC retains the major problems which have characterized it since its inception. The coalition arrangement of 1982 brought together the ousted Khmer Rouge with the republican Khmer People's National Liberation Front (KPNLF) and the forces loyal to Prince Sihanouk, organized politically under the United Front for an Independent, Neutral and Peaceful Cambodia (FUNCINPEC), and militarily as the Armée Nationale Kampuchea Independente (ANKI). The two non-communist Khmer factions, however, have never been able to match the strength of the Khmer Rouge, either in numerical terms or in capacity to pursue guerrilla military operations. The predominance of the Khmer Rouge in the NGC continues to be a key problem in efforts to resolve the Cambodia conflict and with the withdrawal of the bulk of Vietnam's forces, focus on this issue has intensified.

The Non-Communist Resistance Forces

The two non-communist resistance movements have been able to retain a political and military role in the Cambodia conflict since 1979–80, although not without difficulties. The two movements have maintained military forces, with assistance from both Western states (including several members of ASEAN) and China, and a capacity to operate in areas on and near the Thai-Cambodian border. They are a politically important factor in the ongoing conflict because they could potentially play a significant role if an open election were to be held; this is especially true in the case of Prince Norodom Sihanouk, who is thought to retain considerable support within Cambodia. The two forces, however, have faced the dilemma of being associated through the coalition agreement with the Khmer Rouge, a movement they both oppose, and they have been vulnerable to cutbacks in their external support.[23]

Since the withdrawal of most Vietnamese forces in 1989, the KPNLF and FUNCINPEC have intensified their efforts to establish their presence within areas of Cambodia, with U.S. assistance. The U.S. support has involved the provision of tractors and trucks, large supplies of medicines and a hospital that U.S. and resistance officials suggest will be the most modern in western Cambodia. In early 1991, the resistance forces claimed that their medical facilities were treating more than 100,000 people per month, many from SOC-controlled areas.[24] The two non-communist forces, however, have recently faced the threat of restrictions on assistance from the United States. In October 1990, Congress replaced the former aid

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programme, which included the provision of "covert" aid, with a new broader aid package. In April 1991, sensitivity and criticism within Congress about the possibility of the Khmer Rouge benefiting from the aid provisions resulted in the suspension of new aid although in mid-May 1991 it was reported that some U.S. aid was again being provided to areas controlled by the non-communist resistance. An extended suspension of the assistance could affect the capacities of the two non-communist groups, although in mid-1991 they were not expected to be affected severely in the immediate future.[25]

The Khmer Rouge

The Khmer Rouge have been one of the most widely criticized political movements in recent decades; indeed, they have been accused of "genocide", but they have, with continuing external support, remained a strong force in the Cambodian conflict. They have remained a close-knit group, exercising tight control over the population groups they draw support from and they have demonstrated an ongoing capacity to operate widely within Cambodia.

The Khmer Rouge regime collapsed quickly in the face of Vietnam's invasion in late 1978 and early 1979; the regime seemed able to draw on very little popular support. However, in late 1979 and early 1980 the Khmer Rouge remnants, who were near the Thai border or in several pockets in the interior, were saved by Chinese and international aid directed to the Thai–Cambodian border areas. They also received food aid from international sources. By late 1980, the Khmer Rouge guerrilla forces had risen from a few thousand to between 30,000 and 40,000.[26]

Politically, the Khmer Rouge attempted to modify their image through leadership changes and by adopting "moderate" policies. In December 1979, it was announced that Pol Pot had been replaced by Khieu Samphan as Prime Minister — the first in a series of announcements which have been made in the past decade purporting to suggest that Pol Pot has stepped back as a leadership figure. In December 1981, the Khmer Rouge announced that their wing of the Communist Party (the Communist Party of Kampuchea) had been abolished.[27]

For a time it was suggested that the key figure of Pol Pot had supposedly withdrawn from a leading role; in June 1989 Pol Pot announced that he would relinquish his last official post in the Khmer Rouge organization and that his role would cease altogether after Vietnam's forces withdrew from Cambodia. It is thought, however, that Pol Pot has, in fact, consistently remained in control of the Khmer Rouge armed forces and that each year he has convened a meeting of all key Khmer Rouge military

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leaders (over the rank of major) for a ten to twenty-day process of consultation and indoctrination.

Recent reports have underscored the continuing effectiveness of the Khmer Rouge as both a military and political threat to the SOC. At a time when the process of international negotiations has brought continuation of their external support from China into question, the Khmer Rouge have been able to bolster their economic resources by their control of gem-mining in the Pailin area. The Khmer Rouge have reportedly been able to gain an extensive income by taxing the thousands of Thais who have mined gems in Pailin. This is thought to have helped the movement develop cash reserves of more than US$100 million, a resource that would greatly assist the Khmer Rouge if they were to face a cessation of aid from China.[28]

The Khmer Rouge have recently concentrated on trying to consolidate and expand their political influence within Cambodia in the expectation that an internationally supervised election will enable them to compete for support. In a recent speech Pol Pot is reported to have highlighted the importance of political struggle.

> Our troops previously did not know how to conduct popular work because... they did not have faith in the people and instead relied exclusively on bullets. We are fashioning an army that knows how to do popular work. A clarification here: our army is not going to defeat the Vietnamese enemy by fighting them. These days our army goes into the interior to build up popular support.[29]

It has been argued that despite their record when in power, the Khmer Rouge have recently been able to present themselves as a disciplined, non-corrupt movement, which unlike the other Khmer factions, are consistently able to control the behaviour of their forces.[30] The American specialist, Stephen Heder, commented in late 1990 that observers of the Khmer Rouge's political behaviour share the same views:

> These observers, all of whom started as hostile to the Khmer Rouge, generally agree that the movement today is a well-disciplined guerilla force that has learned to rely almost as much on persuasion and inducements as on coercion and compulsion in winning political support. They say the Khmer Rouge have in the past several years demonstrated an increasing ability to win support among their traditional constituency, the lower strata of the peasantry.

Heder also emphasized that:

> The evidence suggests that the top leadership, most important Pol Pot, has continued quite successfully to do everything it can to maintain complete control over the movement to ensure that it is entirely

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indoctrinated with the credo of obedience and completely immune to considering any political options other than those endorsed by Pol Pot.[31]

The Military Conflict

Fighting between the resistance factions and the SOC's forces (recently renamed the Cambodian People's Armed Forces or CPAF) has continued since Vietnam's declared withdrawal of its remaining military forces in September 1989, but with results that have continued to be inconclusive. The SOC and the resistance factions have been strong enough to wage a continuing struggle, but none of the parties has had the capacity to defeat the opponent decisively (the London-based International Institute of Strategic Studies in its last annual survey, *The Military Balance 1990–91*, estimated the strength of the CPAF at some 55,000, with a further 100,000 provincial, district and paramilitary forces; the Khmer Rouge as having about 30,000 guerrillas; the KPNLF at 10,000–12,000; and the ANKI with perhaps 15,000–18,000). The three resistance factions increased their activities in the latter half of 1989 to attempt to secure as much territorial control as possible, at most to prepare for an eventual election and at least to bargain from a position of strength. The fighting was largely concentrated in the northern and western parts of Cambodia. The two non-communist factions (the ANKI and KPNLF) fought to secure areas near the northern border while the Khmer Rouge won control of the abandoned town of Pailin in October. The Khmer Rouge were also reported to be active in late 1989 in parts of the interior of Cambodia, and some attacks occurred behind the forty-kilometre "red defence perimeter" around Phnom Penh.

The continuing conflict placed substantial military and economic pressure on the Phnom Penh regime. The resistance guerrillas mounted a number of attacks and they sometimes moved in groups of up to 300 men. A stepped-up campaign of sabotage resulted in a number of highways being cut and imposed added government expenditure on repairs to roads, bridges and railways. The Khmer Rouge staged several violent attacks on trains, notably in June and July 1990. In response, the SOC was forced to continue its unpopular policies of military conscription. The government also undertook relocation of the population in some areas, to separate them from resistance activities. These people have added to the numbers of those displaced by the fighting; in April 1991, the total number of people displaced within Cambodia was estimated by NGOs at 187,000.

There have been reports that the SOC has received assistance since late 1989 from some Vietnamese military forces but these reports have not

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been conclusive. In a recent testimony in April 1991 to the Senate Foreign Relations Committee, Richard Solomon, Assistant Secretary of State for East Asian and Pacific Affairs, suggested that Vietnam had since 1989 sent back several thousand military advisers as well as some civilian advisers: "More recently we've had evidence that small combat teams have gone in and out of Cambodia. So I think — our evidence isn't all that strong or reliable — that the Phnom Penh regime has not done very well militarily . . . and Vietnam is doing its best to buck it up to shore up its performance".[32]

The fighting during 1990 did not threaten the immediate survival of the SOC, but it imposed continuing heavy costs, with defence consuming between 30 and 40 per cent of the national budget.[33] The Cambodian journalist Khieu Kanharith emphasized the significance of the economic burden posed for the SOC by the continuing conflict: "The Khmer Rouge are trying to force the government to spend more money on fighting which will create panic. Panic creates speculation, making people more unhappy with the government".[34]

The Khmer Refugees

The refugees from Cambodia who have been living in a variety of camps on and near the Thai-Cambodian border since the late 1970s have been a highly significant feature of the ongoing conflict. More than 350,000 have left Cambodia for Thailand since the 1970s; some were able to flee during the Pol Pot regime period, but most left after 1979. The Khmer refugees now live in more than twenty camps controlled by the three resistance factions. After 1979, assistance was channelled to the refugees by several international agencies. In January 1982 the United Nations Border Relief Operation (UNBRO) assumed the task of providing food, shelter, relief materials, health care, sanitation and elementary education to the border population with the continuing assistance of a number of voluntary agencies. Only some of the Khmers on and near the border are formally recognized as "refugees" by the U.N. High Commissioner for Refugees. Most are considered by Thailand to be "displaced persons".

The Khmer refugees have played a key role in the ongoing Cambodia conflict. As the Thai academic Vitit Muntarbhorn (Chulalongkorn University) wrote in April 1990:

> Perhaps the greatest dilemma for Cambodian civilians along the border is that they are pawns in a political game and are seen as adding the legitimacy of "the people support us" to the claims of the faction leaders. Physically, they are a buffer between the warring cliques and

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represent a cordon sanitaire whereby supplies and resources can be channelled to the combatants.

The threats to civilians are carried to the extreme by endless manipulation on the part of the leaders. Forced labour and conscription is not uncommon. The situation is aggravated by the fact that several sites are inaccessible to aid agencies, including the satellite camps belonging to the Khmer Rouge faction. Forced relocation of civilians from these camps on Thai territory to even more uncertain areas on Cambodian territory in the so-called liberated zones has taken place continually.[35]

The refugees on and near the Thai–Cambodian border continue to face serious problems and dangers. In many areas they are constantly at risk from continuing fighting between the resistance forces and the SOC. The possibility of repatriation of the refugees back to Cambodia also poses serious dilemmas.[36] Under the aegis of the U.N. peace proposals, plans are being developed for the organized repatriation of refugees back to Cambodia in the context of a comprehensive settlement. However, some agencies responsible for providing assistance to the refugees have recently had concerns about the management of the resettlement process in the event of an agreement for a settlement.

In late 1990, fears developed about the possibility that an early move towards agreement on a peace settlement for Cambodia might produce a large-scale spontaneous movement of refugees back into Cambodia. This possibility was viewed with apprehension by a number of observers and international organizations (including the International Committee of the Red Cross) because refugees returning to Cambodia from border camps supported by the UNBRO face serious dangers.[37]

1. Mines have been laid by a variety of armies in Cambodia since the outbreak of war in 1970; and no reliable maps for these are available. There is no easy way of developing procedures for prompt location and de-activation of the mines. They pose a serious ongoing threat to civilians in Cambodia and to those seeking to return.
2. Malaria is very prevalent in western Cambodia. Refugees who move from the relatively secure environment of the border camps, which have had health care supplied by UNBRO, would not have developed any "natural" immunity to the disease and would be at grave risk.
3. Diarrhoea is another major danger for returnees, especially children. The border camps generally have supplies of pure water, and children have been accustomed to access to this. People in western Cambodia have to use any available water. Resettled children without natural immunities would be at risk to diarrhoea. According to a senior NGO official interviewed by the author, even if ample food supplies were

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available to returnees, without access to clean water, thousands of children might face death within weeks.

Any moves towards a major resettlement of Khmer refugees would need very extensive international support to avoid major outbreaks of disease and substantial loss of life.

Meanwhile, conditions in the border camps continue to pose problems. While UNBRO has sought to provide adequate physical conditions in the camps, psychological and social problems, particularly violent crime, have been serious. Human rights violations have been widespread, most seriously in the camps controlled by the Khmer Rouge. The U.S. human rights group Asia Watch reported at the end of April 1990 that the Khmer Rouge was denying refugees in areas it controls food and medical care and forcing children and adults to act as porters. Asia Watch stated that "strict Khmer Rouge control" was most severe in a series of secret camps on the outskirts of internationally recognized refugee camps. The executive director of Asia Watch called on the United States to support the Thai proposal for a "neutral camp" not under the control of the guerrilla factions in order to help end the "ongoing human tragedy on the Thai–Cambodian border".[38]

THE CHANGING INTERNATIONAL AND REGIONAL CONTEXT

Since 1979, the conflict over Cambodia has involved complex patterns of struggle simultaneously at several levels: international, regional and internal. A series of developments since the mid-1980s substantially changed the patterns of conflict at the international and regional levels. By 1991, Cambodia was markedly less significant as a focus of international and regional tension than it was in the early 1980s. Obstacles nonetheless still stood in the way of efforts to promote settlement of the conflict. One obstacle was that the pattern of change in international and regional approaches to the Cambodian conflict, while substantial, had not been fully comprehensive. In particular, the tensions between China and Vietnam, which have been at the centre of the conflict since 1979 have been alleviated but not fully resolved. A second obstacle was that the progress at the regional and international levels had not been accompanied by a willingness and capacity on the part of the Khmer parties to contain and curtail their own conflicts.

From 1979 to the mid-1980s, the Cambodian conflict was locked in a condition of stalemate, or of "stable war".[39] In this period the Phnom Penh regime and Vietnam, backed by the Soviet Union, were locked in conflict with the Khmer resistance forces, supported by a loose coalition

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consisting of ASEAN, China and the United States. Vietnam had made a major commitment to overthrow the Pol Pot regime which had been threatening its security with Chinese support. Vietnam, after 1979, regarded the preservation of a friendly regime in Phnom Penh as a centrally important foreign policy goal and clearly hoped that the regime in Phnom Penh could consolidate its position as a reliable ally for Hanoi; it declared the situation in Cambodia as "irreversible". Vietnam received strong support from the Soviet Union in this period. Soviet aid was vitally important in underpinning Vietnam's efforts to consolidate the SOC's position and its attempts to defeat the Khmer resistance.

Vietnam and the Soviet Union were opposed by the loose coalition consisting of ASEAN, China and the United States which sought to resist Vietnam's military presence in Cambodia by diplomatic, political and military means. ASEAN encouraged the formation of the Khmer resistance coalition in 1982 and successfully led efforts at the United Nations to deny international acceptance of Vietnam's presence. China strongly opposed Vietnamese policies and maintained extensive political and military pressure on Vietnam, both directly (on the Sino–Vietnamese border) and by supporting the resistance, especially the Khmer Rouge. Deng Xiaoping stated in December 1980 that, "It is wise for China to force the Vietnamese to stay in Kampuchea, because that way they will suffer more and more".[40] The United States supported ASEAN's and China's position diplomatically, gave some aid to the non-communist resistance, and maintained an influential trade embargo on Vietnam.

From the mid-1980s, several factors began to change this pattern of stalemated conflict. The Soviet Union under Gorbachev developed a strong interest in promoting *détente* in its relations with the major powers and in improving the Soviet Union's position in the Asia–Pacific region. It began to upgrade efforts to promote normalization of relations with China and it sought improved relations with ASEAN. The Soviet's alliance with Vietnam had provided a useful but narrow basis for influence in Southeast Asia. Its military presence in Vietnam alienated both China and the ASEAN states. From 1987, the Soviet Union placed greater emphasis on efforts to seek a resolution of the Cambodian conflict and by 1989 had become a key player in efforts towards a settlement. The Soviet Union also moved to normalize relations with China in 1989. The changing Soviet emphasis imposed further pressure on Vietnam to also pursue a modified approach to Cambodia.[41]

Vietnam had announced in August 1985 that it would withdraw all its forces from Cambodia by 1990, regardless of whether a political settlement had been achieved. Vietnam probably hoped that with the Phnom Penh regime gradually increasing in strength, attention would focus on

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the divisions of the Khmer coalition and that some non-communist elements could be induced to coalesce with the SOC. After 1985, pressures increased on Vietnam to pursue a force withdrawal as efforts to promote economic reform domestically focused increased attention on the costs of the involvement and the adverse effects of the country's international isolation.[42] The direct costs of the Cambodian involvement for Vietnam were severe; during eleven years of fighting its troops had suffered 221,300 casualties, including 55,300 dead, development plans had been deferred and the economy had stagnated while Vietnam's non-communist neighbours had made rapid progress.[43] In February 1989, the three Indochina countries' foreign ministers announced that Vietnam's combat forces would be withdrawn by September: Vietnam declared then that the withdrawal was complete, although this claim was disputed by China and the Khmer resistance.

China's policies towards Cambodia have been grounded in consideration of the former's strategic environment, international status and its future role in Southeast Asia. China from the late 1970s was consistently concerned at Vietnam's dominant position in Indochina and at the Soviet military presence in Vietnam. It has since the mid-1980s pursued an improvement in relations with the Soviet Union and by the end of the decade did not regard the military strength of the USSR as an urgent concern. China has also actively participated in international negotiations over a Cambodian settlement. China, however, has continued to reserve the right to provide support to the Khmer resistance in the absence of a comprehensive settlement and it has emphasized the necessity of including the Khmer Rouge in the settlement process. While China after 1989 engaged in an active dialogue with Vietnam, it continued to express criticism of the latter's policies in relation to Cambodia, and in mid-1991 full normalization of relations had not yet been achieved.[44]

ASEAN has continued to endorse the concept of a comprehensive settlement of the conflict, but its members have pursued approaches to Vietnam and to the Cambodian issue with some flexibility. Indonesia has played a leading role in promoting the process of dialogue among the Khmer factions and other interested parties through the "Jakarta Informal Meetings". Thailand under the Chatichai government from 1988 adopted a more flexible approach towards Cambodia by developing some increased contacts directly with the Phnom Penh regime and by emphasizing the importance of expanding economic relations with Indochina generally. This policy emphasis, which caused some disquiet among other ASEAN countries, was initially de-emphasized after the coup of 23 February 1991, but Thailand maintained an ongoing dialogue with Vietnam and a continuing interest in facilitating the negotiation process; Thailand sponsored

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the Pattaya meeting of the Supreme National Council in June 1991. While ASEAN is continuing to promote a settlement for Cambodia, the conflict itself has clearly declined as a source of regional tension.[45]

The United States moved in 1990 to review its own policy emphasis towards the Cambodian conflict. It has consistently supported efforts towards a comprehensive settlement, but from mid-1990 it has also moved to expand its range of dialogue on the issue. It announced in July 1990 that it would no longer recognize the CGDK as the representative of Cambodia at the United Nations and it began direct talks with Vietnam on Cambodia. Diplomatic dialogue was also initiated for the first time between the United States and the Phnom Penh regime (by means of a meeting in Jakarta in September between SOC Premier Hun Sen and the U.S. Ambassador to Indonesia, and through meetings in Laos).[46]

As efforts towards a peace settlement intensified, Japan began to take an increasing interest in the conflict. Foreign Minister Uno in July 1988, speaking to the ASEAN foreign ministers, stated that Japan would provide financial assistance to help maintain an international peace-keeping force and to dispatch civilian personnel to support peace. In June 1990 Japan hosted negotiations between the Cambodian factions in Tokyo, and in April 1991 enabled Hun Sen to receive medical treatment in Japan. Prime Minister Kaifu met with representatives of the factions in April and early May 1991 and Japan has promoted informally ideas aimed at exploring avenues for the discussion of U.N. proposals for Cambodia (see below).[47]

The policy developments and changes in emphasis pursued by the major external parties to the Cambodian conflict have widened the basis for discussion and they have been important in improving the climate for developing agreement on principles for a settlement, particularly among the Permanent Five members of the U.N. Security Council (discussed below). The process of *détente* between the major powers (especially between the United States and the Soviet Union and between the Soviet Union and China) has clearly been important in enhancing the climate for reducing tensions in relation to Cambodia and in enhancing the basis for seeking settlement. There is also a climate of reduced tension and suspicion at the regional level in Southeast Asia, especially between Vietnam and ASEAN. However, up to mid-1991 significant obstacles remained in the path of the settlement process. Two especially difficult problems, it may be argued, have been the ongoing Sino-Vietnamese suspicions and tensions, and the issue of political order and control in Cambodia.

The British specialist Professor Michael Leifer observed in October 1989 (at the time of the declared withdrawal by Vietnam of its last combat forces from Cambodia) that:

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> At the centre of joined global and regional rivalry over the political identity and attendant external affiliation of Cambodia have been the competing interests of China and Vietnam. These interests have enjoyed an autonomy even though engaged initially in conjunction with global partners. The stricken country of Cambodia if subjected to self-inflicted wounds has served as the arena for their indirect confrontation. The strained and, at times, stormy Sino–Vietnamese relationship expressed with reference to Cambodia has been the dominant factor of regional continuity within a changing global environment. Vietnam's withdrawal has not, so far, served to improve that relationship in any substantive sense.[48]

The continuing tension between China and Vietnam has left both sides deeply suspicious that each would continue to exploit developments within Cambodia in a way disadvantageous to the other. China was unwilling to accept an outcome in Cambodia which would leave intact the State of Cambodia, which it saw as a regime established by and intimately associated with Vietnam. Vietnam has feared that China would gain advantage from a settlement which would result in the SOC being supplanted or replaced. Vietnam and China have intensified their process of dialogue since 1989. There has been a marked reduction in tensions between the two states since the mid-1980s. However, up to mid-1991 the two states had not been able to achieve a level of *détente* that could allow full normalization of relations. An important meeting of senior Vietnamese and Chinese communist party leaders took place in southern China in September 1990 but this did not lead to accord on basic foreign policy issues.[49] The two countries continue to have major areas of disagreement, for example, in the South China Sea where they maintain conflicting territorial claims to the Spratly and Paracel islands. They also continue to disagree over Cambodia.

In late 1990, at the time of the high-level Sino-Vietnamese discussions, there was some speculation that the two countries might be considering a so-called "Red Solution" to the Cambodian conflict, by which they would encourage or induce an agreement between the Khmer Rouge and the Phnom Penh regime, excluding the non-communist resistance and obviating the feasibility of an open election. This possibility, however, seemed very unlikely. Michael Vickery, an experienced Cambodian specialist recently observed that the "Red Solution" is the "least plausible of all scenarios".

> The Khmer Rouge consider the Phnom Penh leaders as traitors, and the latter have long rejected the Khmer Rouge as both traitors and genocidal murderers. It is unlikely that even reconciled China and Vietnam would press for such a solution, nor could they impose it. In the eyes of the Khmer Rouge the worst treason of their former colleagues

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> in Phnom Penh is friendship with Vietnam, and Vietnam would hardly collude in restoring their most bitter enemy to any degree of control in Cambodia.[50]

A second major problem during the long-running conflict has been the inability of the Khmer parties to agree on the distribution and organization of political power in Cambodia (a problem obviously complicated by the ongoing presence and role of the Khmer Rouge). The American specialist on Indochina, William S. Turley, in an article in 1990, summed up the inter-linkage between external rivalries and domestic conflict among the contending Cambodian parties:

> The Cambodian conflict was at the outset primarily a contest between China and Vietnam over Vietnam's hegemony in Indochina, with Thailand manoeuvring for the restoration of its historic buffers. Yet the conflict has never been simply an extension of external power rivalries. Now an externally-supported civil war, the main obstacle to a negotiated settlement has come to be the inability of the internal parties to share power, or to conceive of factional survival in any terms other than the exclusion of all rivals.[51]

Another long-time observer of Indochina issues, Douglas Pike, has affirmed the central importance of the organization of political power to attempts at settlement of the Cambodian conflict. He wrote in mid-1989:

> The central factor in the Cambodian peace process always has been governance, the institutionalisation of political power. Who is to govern and under what arrangements; how is power to be divided, and how are the divisions to be maintained; who will adjudicate disputes; which element takes the leading role, or should the role of each faction be determined with the establishment of a multiparty electoral system?. . .
>
> The opposite of war in Cambodia is not peace; it is government. To reverse this, if there is government there can be peace; without government continued warfare is inevitable.[52]

These two obstacles, it may be argued, have been at the centre of the problems which have confronted efforts to pursue a Cambodian settlement.

The Path to Negotiations and the U.N. Peace Proposals

The changing international and regional climate of opinion about Cambodia began to have a marked impact on prospects for negotiations from 1987. There had been, before then, a series of dialogues and discussions between some of the parties, notably Vietnam and members of ASEAN, but with no real progress. From 1987 an intensified series of discussions began.

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In July 1987, Vietnam and Indonesia, representing the states of Indochina and ASEAN respectively, agreed in principle on the concept of informal talks on Cambodia, between the Cambodian parties themselves, and between those parties, Laos and ASEAN. In December 1987, Prince Sihanouk and SOC Premier Hun Sen held talks in France to explore avenues for negotiation. They held further talks in January 1988, but with no immediate result. In July 1988, Indonesia hosted four days of talks involving the four Cambodian parties. This Jakarta Informal Meeting (JIM) also involved direct participation by Vietnam, Laos and ASEAN. The talks indicated significant ongoing differences over issues, including the composition of a peace-keeping force, the timetable for a Vietnamese withdrawal, and how a transitional administration might oversee elections.[53] Further sets of talks followed: between Sihanouk, Son Sann, and Hun Sen in Paris in November 1988, between Thailand and Vietnam in January 1989, and Vietnam and China from January 1989.

A second round of the Jakarta Informal Meeting was held in February 1989, but it illustrated the continuing basic conflicts dividing the Cambodian parties, Vietnam and ASEAN. ASEAN and the CGDK insisted that a Vietnamese withdrawal be unconditional, and they continued to demand a quadripartite provisional coalition government under Sihanouk's leadership to assume power before elections; this would mean the displacement and dismantling of the Phnom Penh administration and its replacement with a regime which included the SOC's most bitter opponents, the Khmer Rouge. Hun Sen and the Vietnamese were prepared to offer Sihanouk the chairmanship of a national reconciliation council that would organize and implement elections leading to the creation of a new government but without dissolving the Hun Sen government before holding free elections. The Second JIM therefore produced no significant progress.

On 24 July 1989, Sihanouk and Hun Sen met for the fifth time, followed by a meeting of the four Cambodian parties which opened the way for the international conference on Cambodia that was held in Paris on 30 July. The conference convened for one month and was attended by the four Cambodian factions, the six ASEAN countries, the Permanent Five members of the U.N. Security Council, Vietnam, Laos, Australia, Canada, India, Zimbabwe (representing the Non-Aligned Movement) and a representative of the U.N. Secretary General. On 1 August, the conference adopted a general blueprint for peace, then broke into smaller groups to study issues, and finally agreed to fund a U.N. fact-finding mission to Cambodia in August. The comprehensive settlement concept which was developed by the conference involved essentially the monitored withdrawal of all Vietnamese forces, a cease-fire, the cessation of external support, the creation of a transitional administration, and the holding of

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free elections, all under the supervision of an international control mechanism. It also involved measures to guarantee the neutrality of Cambodia and non-interference in its internal affairs, to deal with the repatriation of refugees and displaced persons, and to provide for reconstruction in Cambodia.

The conference, however, failed to bridge differences over key issues, including the international supervision of Vietnam's withdrawal and peace in Cambodia, the future make-up of the government of Cambodia, and participation by the Khmer Rouge in an interim governing coalition. Hun Sen adamantly opposed Khmer Rouge participation; Sihanouk argued that excluding the Khmer Rouge would guarantee continued armed conflict, while including them would go further towards insuring the stability of an interim quadripartite government. At the end of August, the Paris conference suspended its proceedings without a comprehensive settlement, although it did not formally adjourn and left open the possibility of reconvening.[55]

Vietnam proceeded to announce its withdrawal of combat forces from Cambodia in September 1989. But since the Paris conference had been suspended without agreement, there was no formal agreed procedure for the international monitoring of Vietnam's withdrawal. The stage was thus set for ongoing conflict in Cambodia.

In this context, Australia intensified its efforts to facilitate the prospects for negotiations. As the Minister for Foreign Affairs and Trade Senator Gareth Evans stated in the Australian Senate on 6 December 1990 (in a major review of Australia's approach towards a Cambodian settlement), "the issue of the composition of the proposed transitional administration" was identified as a crucial stumbling block. He said that:

> ... the combined resistance forces of Prince Sihanouk, Son Sann and the Khmer Rouge, together with their international backers, demanded a place for each of the four internal parties, including the Khmer Rouge, in the transitional administration: this was a demand which the PRK government of Hun Sen, and its international backers, were simply not prepared to concede.

Australia therefore proposed an enhanced role for the United Nations in the transitional process (a proposal first announced on 24 November 1989). Senator Evans has summed up the proposal's central purpose:

> The central concept of the Australian proposal to reinvigorate the peace process was very simple. So as to sidestep the power-sharing issue which had bedevilled the Paris conference, and constrain the role of the Khmer Rouge in the transitional arrangements, we proposed that the United Nations be directly involved in the civil administration

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> of Cambodia during the transitional period. Along with a U.N. military presence to monitor the cease-fire and cessation of external military assistance, and a U.N. role in organising and conducting elections, U.N. involvement in the transitional administration arrangements would ensure a neutral political environment conducive to free and fair general elections. . . .
>
> In advocating the very substantially enhanced U.N. role in the settlement that we did, the Australian government recognised that we were being ambitious. Though well experienced in peace-keeping operations and monitoring elections, the United Nations has not so far had a role in the civil administration of one of its member states nor in having primary responsibility for organising and conducting elections as distinct from monitoring them. In addition, conditions within Cambodia — including the potentially fragile character of any cease-fire, the difficulty of monitoring guerilla forces and the lack of developed transport and communications infrastructure — would mean that the overall U.N. operation would be much more difficult than that which had been experienced in most other situations.[56]

The negotiation process proceeded through a further series of stages in 1990, during which the concept of an enhanced U.N. role in a peace settlement attracted extensive support. Representatives of the U.N. Permanent Five held discussions in Paris on 15–16 January on principles for a settlement which involved an enhanced U.N. role. A further meeting in Jakarta was held on 26–28 February, involving the four Cambodian parties, Vietnam and Laos and the ASEAN members. At this meeting Australia presented a detailed series of working papers on the bases for a settlement.[57]

The Jakarta Informal Meeting on Cambodia (IMC) was organized by Indonesian Foreign Minister Alatas in his capacity as Co-chairman of the Paris conference and as the ASEAN interlocutor on the Cambodian issue. The Jakarta meeting saw an acceptance by all parties that the United Nations had a significant role to play in the supervision, monitoring and verification of the withdrawal of foreign forces and their non-return, the cessation of external military assistance and a cease-fire. All participants accepted the principle that the United Nations should organize and conduct elections. The meeting, however, broke down over several issues: Vietnam and the SOC insisted that the term "genocidal", in relation to past policies and practices, should be included; the Khmer Rouge objected (on the grounds that this would justify Vietnam's invasion). Vietnam and Hun Sen expressed reservations about references in the proposed document to Prince Sihanouk heading the proposed Supreme National Council, to the regrouping and containment of the armed forces of the factions, and to Vietnamese settlers in Cambodia. The meeting broke up without agreement.[58]

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In the aftermath of the Jakarta IMC international efforts continued to develop a comprehensive peace settlement. On 26 August 1990, at their sixth meeting on Cambodia, the U.N. Permanent Five reached agreement on a framework document for a comprehensive settlement (outlined below). In Jakarta, from 9–10 September, at a meeting hosted by Indonesia and France as co-chairmen of the Paris conference, the four Cambodian parties accepted the Permanent Five's framework as a basis for settling the conflict, and they agreed to set up a Supreme National Council (SNC) which could occupy Cambodia's seat at the United Nations. The United Nations itself, by Security Council Resolution 668 of 20 September and General Assembly Resolution 45/3 of 15 October, endorsed the framework developed by the Permanent Five. A further meeting hosted by Indonesia and France as Paris conference co-chairmen in Jakarta on 9–10 November reached agreement on the form and structure of a comprehensive settlement negotiating text. Representatives of the co-chairmen and the U.N. Secretary General then met with officials of the U.N. Permanent Five in Paris on 23–26 November and a full draft comprehensive agreement was drawn up.[59] A meeting of the four Cambodian parties, together with France and Indonesia, in Paris from 19 to 23 December 1990, considered the draft agreement and an "explanatory note" by U.N. Deputy Secretary General Rafeuddin Ahmad on aspects of the U.N. proposals, but with no decisive result.

THE U.N. Permanent Five's Proposals

The draft comprehensive agreements on a Cambodian settlement, drawn up at the end of 1990, were at the time of writing still under review and subject to amendment by the contending parties. The basic framework of the proposed settlement (which was prepared at the end of August 1990) can be summarized as follows:[60]

Part 1: Transitional Administration in the Pre-election Period

The Cambodian parties are to agree on the creation of a Supreme National Council as soon as possible and to agree that the SNC will be the single source of legitimate, sovereign authority representing Cambodia in all external relations during the transitional period. The SNC is thus expected to occupy Cambodia's seat at the United Nations and in all other international bodies, including the Paris conference. The size and the composition of the SNC is to be determined by the Cambodian parties. The Security Council states that no "party" should be dominant and that individuals chosen should represent all shades of opinion and be mutually acceptable

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to each other. It also states that it would welcome the election of Prince Sihanouk as president of the SNC.

On the signing of a comprehensive political agreement to end hostilities and to prepare for free and fair elections which will restore normal and lawfully established government, the SNC will delegate to a United Nations Transitional Authority in Cambodia (UNTAC) "all powers necessary" to ensure implementation of the comprehensive settlement, including those relating to the conduct of the elections and "relevant aspects of the administration of Cambodia". The United Nations proposes to supervise or to assume direct administrative control over "administrative agencies, bodies and offices" which would influence the conduct or outcome of the elections. In this context, special attention will be given to foreign affairs, national defence, finance, public security and information agencies to ensure their "strict neutrality" in the run-up to elections. UNTAC, in consultation with the SNC, will also determine which agencies, bodies and offices created by the parties to the conflict will be allowed to continue to operate as usual. On a wider basis the SNC should offer advice to UNTAC "which will comply" with this advice if it represents a consensus view of the SNC and is consistent with the aims of the comprehensive political settlement. The existence of these conditions will be determined by a special representative of the U.N. Secretary General who will attend all meetings of the SNC and regularly report to it "all necessary information on the decisions taken by UNTAC".

Part 2: Military Arrangements during the Transitional Period

The military "component" of UNTAC will assume responsibility for supervising, monitoring and verifying a cease-fire following agreement on a comprehensive political settlement. It will also assume responsibility for:

1. verifying the withdrawal of all categories of foreign forces, advisers and military personnel with their weaponry and equipment and their non-return to Cambodia;
2. monitoring the cessation of foreign military assistance to all parties;
3. liaising with neighbouring governments about developments which might jeopardize the comprehensive political settlement;
4. locating and confiscating caches of arms inside the country;
5. nation-wide mine clearance operations and mine awareness education;
6. supervising the regrouping and relocation of all Cambodian armed forces in designed cantonments;
7. supervising the storing of the arms of each force on the site of its cantonment;

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8. initiating a phased process of arms control and reduction in accordance with agreements and timetables related to the ultimate disposition of the factional forces, the need for confidence building as well as security and the need to reinforce the objectives of the comprehensive political settlement.

Part 3: Elections under U.N. Auspices

The United Nations will be responsible for organizing and conducting free and fair elections on the basis of "genuine and verified" voter registration lists of Cambodian citizens. Electoral regulations, including the criteria for candidate and voter eligibility, are to be agreed by the Cambodian parties and set out in the comprehensive political settlement. These regulations must include a framework for electoral law and procedures which are essential for conducting free and fair elections. The comprehensive political settlement must also contain provision for the certification of the elections as free and fair by the United Nations. The Security Council stipulates that the electoral process should be as simple and as brief as possible, bearing in mind the essential requirements of free and fair elections, and that the comprehensive political settlement should specify the period within which the elections will take place.

Part 4: Protection of Human Rights

Alluding to "Cambodia's tragic recent history" and the need to pay special attention to the protection of human rights, the Security Council plan insists that a comprehensive political settlement should commit Cambodia to international human rights conventions. Moreover, during the transitional period there should be provision for human rights education programmes under U.N. auspices, general human rights monitoring of all aspects of transitional administration, investigations of complaints about violations of human rights, and corrective action where required. Following the free and fair elections, the U.N. Human Rights Commission should continue to monitor the situation in Cambodia closely. All states participating in the Paris conference should take responsibility for promoting respect for human rights in Cambodia as embodied in international conventions and, in the event of serious violations, should call on competent U.N. agencies to take appropriate action.

Part 5: International Guarantees of Independence and Neutrality

In an effort to preserve the status of Cambodia as an independent, sovereign and neutral country and as a means to ensure that a political settlement

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is fully implemented, Cambodia will be expected to declare its independence, neutrality and sovereign status in the constitution to be drafted by the elected Constituent Assembly. The Paris conference states will conclude multilateral agreements committing all parties to respect Cambodia's independence, sovereignty, territorial integrity and inviolability, neutrality and national unity, thereby terminating any treaties or agreements which are incompatible with the same. These agreements will also embrace pledges and guarantees, consistent with the U.N. charter, which commit Cambodia and other signatories to abstain from resorting to the use or threat of force, the use of Cambodian territory to impair the independence, sovereignty and territorial integrity of other states or for the establishment of foreign military bases or facilities. The signatories to the multilateral treaties will engage in consultations in the event of a violation or threat of violation of the provisions of these agreements made. Such measures may include reference of the problems to the Security Council or to the co-chairmen of the Paris conference on Cambodia (that is, France and Indonesia).

The Permanent Five's Proposals: Comments and Arguments

The proposals of the Permanent Five were, in mid-1991, under active consideration by the contending parties (see next section). As the proponents of the proposals acknowledge, they represent an ambitious attempt to resolve a complex, multi-layered conflict and the proposals have, not surprisingly, sparked some comment and dispute. At the centre of recent debates have been the continuing concerns about the Khmer Rouge and their potential for further influence in Cambodia. The following paragraphs provide an indication of some of the major themes of argument and counter-argument on these issues.

Proponents of the U.N. peace plan acknowledge the complexities and dilemmas involved, but argue that a comprehensive settlement is the only reliable way of containing the problem of the Khmer Rouge, gaining a cessation of external military support to the contending military forces, and establishing a legitimate Cambodian government which can have access to international economic assistance for reconstruction. In his 6 December 1990 statement, Senator Evans dealt specifically with criticisms of the plan. He noted that the most important objections which had been advanced "are that it makes too many concessions to the Khmer Rouge — who, it is said, will be able to exploit the process politically, military, or both — particularly in the proposed transitional period under U.N. administration — and who will not in any event accept any final outcome which does not leave them in control of the country".

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Senator Evans, in discussing the U.N. proposals, made a series of points. The Khmer Rouge could not effectively be excluded from a political settlement through the mechanism of extending recognition to the SOC.

> The point is simply that the Khmer Rouge cannot be effectively isolated and marginalised with their military influence nullified, so long as it continues to be supplied, especially by China, with arms and money and diplomatic support. China has consistently maintained that it will give a commitment to cease military support to the Khmer Rouge, and support a cease-fire, only in the context of a comprehensive settlement agreed by all four Cambodian parties. The simple truth of the matter is that unless and until China is prepared to withdraw from the picture — and only the UN peace plan seems capable of delivering that — then whatever Australia and other countries choose to do, the continuation of a bloody civil war is inevitable.

In relation to the alleged problem of the protracted nature of the negotiation process and the potential for the Khmer Rouge to make gains in this context, Senator Evans argued that there was no alternative, quicker way of achieving peace in Cambodia. If the current international negotiation process was not taking place then there was no reason to assume that the Khmer Rouge's military activities would have been any less. In any case, while the Khmer Rouge had been making "steady, long-term, progress with the same sort of guerrilla strategy which brought it to power in 1975 ..." there was no prospect of an early military takeover by the Khmer Rouge, unless the SOC suffered a collapse in its military, political and social morale.

On the question of the Khmer Rouge's capacity to exploit the proposed transitional arrangements, Senator Evans argued that the SOC did not object to the presence of the Khmer Rouge representatives in the Supreme National Council. The SOC, in addition, did not object to the concept of letting the Khmer Rouge contest the U.N.-supervised elections "provided Pol Pot and his most notorious associates are not allowed to stand as candidates". The proposed electoral system, involving proportional representation and a single national constituency, provided a further safeguard against intimidation of voters in areas controlled by the Khmer Rouge. "More generally, of course, the whole concept of an enhanced U.N. role in the civil administration of the country during the transitional period is to ensure a genuinely neutral environment for the conduct of the election, in which no one party would stand to benefit by way of either assistance or neglect from a central government."

On the question of whether the Khmer Rouge would accept the final outcome of a process which did not leave them in control of the country, Senator Evans noted that " ... there can be no guarantee that they will

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not resume fighting after the transitional period with weapons which have been hidden from the UN monitoring teams".

Senator Evans continued:

> While acknowledging there can be no absolute guarantee that renewed fighting will not occur, two crucial factors will have a positive bearing on the outcome. First, China will have given an international legal undertaking to cease arms supply to the Khmer Rouge, will be under close international scrutiny to uphold that undertaking, and can be reasonably expected to honour it. While the Khmer Rouge may well have access to two or three years supply of arms in caches, and will be able to make a major nuisance of themselves during that time, thereafter — without continued external support — the danger they pose to the fabric of Cambodian society will be dramatically reduced. We can expect them to be genuinely isolated and marginalised.
>
> A second relevant consideration is that the new Cambodian administration will be accepted by the whole international community as the government of the country and is very likely to receive substantial economic, social and technical assistance during the rehabilitation and reconstruction process envisaged under the comprehensive settlement. Taken together, these factors will mean that the newly elected Cambodian Government will be in a much better position than the present Hun Sen regime to withstand any renewed challenge from what will be in any event a considerably constrained Khmer Rouge.

Critics of the proposals have focused on the risks involved in attempting to incorporate the Khmer Rouge formally into a settlement process, the potential vulnerability of the Phnom Penh regime in a transitional period and the desirability of seeking stability by extending international recognition to the SOC. Raoul Jennar, a Belgian former official who is consultant to the NGO Forum, has expressed in several papers concerns about the Khmer Rouge. Writing in October 1990, he stated:

> Let us be honest. Who could, beyond the shadow of a doubt, trust the Khmer Rouge? When they were in power, these people used murder, exhaustion, and degradation as daily techniques of government... Yet these people are now invited to participate in the institution of a new democratic order — as if the past were completely forgotten, as if there had been no genocide, as if the men and the forces responsible for these crimes against humanity had disappeared. All of a sudden, as if by a miracle, the wolf is supposed to have been transformed into a lamb. The approach of the Perm Five gives greater priority to the wishes of the great powers than it does to the free choice of the Cambodian people. But how far does one have the right to push the idea of national reconciliation? Could one have envisaged, in 1945, compelling the Germans to allow the Nazis to participate in the construction of a

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> new German democracy? The way of peace to which the five permanent members of the Security Council invite us is one of risk. The burden of that risk falls not on the Westerners but on the people of Cambodia, because the search for peace which compromises with the Khmer Rouge is exactly that which will give them the means to start all over again.[61]

The general issue of the concept of accepting the Khmer Rouge as a legitimate party in a negotiation process has also been highlighted by Gary Klintworth (Senior Research Fellow in International Relations, Australian National University). In an article published in February 1991 he argued:

> The agreement cloaks the Khmer Rouge with a veil of legitimacy and decency. Instead of being denounced for violations of human rights on a scale unparalleled since Nazi Germany (according to a report by the U.N. Commission on Human Rights), or prosecuted for genocide committed 'even under the most restricted definition of that term' (according to a recent UN study), the agreement gives Pol Pot a seat (in fact, two seats) on the Supreme National Council. The Council is described in the agreement as 'the unique legitimate body and source of authority in Cambodia'. To include Khmer Rouge representatives on the council makes a mockery of the UN Charter and such fundamental UN documents as the Universal Declaration of Human Rights and the Convention on the Prevention and Punishment of the Crime of Genocide.[62]

The Khmer Rouge as a whole, he suggested, should not be excluded from a political settlement but "the agreement should contain detailed safeguards against a resurgence of the Khmer Rouge, including provisions excluding and even calling for the criminal prosecution of the top Khmer Rouge leadership".

Critics have also pointed to risks and dilemmas in the transitional period envisaged in the Permanent Five's proposals, during which an election would be organized with the Phnom Penh regime's administration subject to U.N. supervision. Jennar, writing in October, suggested that the U.N. proposals "... would place administrative agencies under direct U.N. supervision or control, specifically, the ministries of foreign affairs, defence, finance, public security and information. This dismantling will create a chaos that will benefit only Pol Pot's men". Jennar also expressed concern about the transitional arrangements for disarming the armed forces of the Cambodian parties. "The framework leaves a potentially dangerous vacuum between the formation of the SNC and the cease-fire. The Perm Five say nothing about who will provide the troops for the UNTAC, or who will pay for this operation. No guarantees are given about the feasibility of the most important mission: to carry out the peacekeeping aspects of the comprehensive political settlement .... Clearly, it will be easier to

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control and disarm the government's army than to locate and disarm the guerrilla troops. Is the UNTAC going to disarm the sole force trying to prevent the return of the Khmer Rouge to power before it disarms Pol Pot's men?".[63] Klintworth also expressed concern about the extent of the involvement proposed for UNTAC which, he argued, disadvantaged the Phnom Penh government: "Phnom Penh can properly claim that the UNTAC role envisaged in the agreement will intrude too extensively into the running of Cambodia's domestic affairs, contrary to various principles of international law and the UN Charter itself".

The Phnom Penh administration, Klintworth argued, in fact can itself be seen as already meriting international recognition, based on its effective control over the bulk of Cambodia's countryside, its cities and population. "The Phnom Penh Government has survived far longer than its two predecessors... while it has not yet achieved widespread diplomatic recognition, Phnom Penh is nonetheless eminently recognisable as the only effective administration in Cambodia".

DEVELOPMENTS IN 1991

The merits and feasibility of the U.N. proposals continued to be debated in 1991 as further steps took place in the dialogue process among Cambodia and other interested countries. The National Government of Cambodia (the resistance factions) endorsed the U.N. proposals. Vietnam and the State of Cambodia continued to express reservations. Diplomatic activity by major interested powers to attempt to promote the peace proposals continued, notably by Japan and the United States. The dialogue process appeared to be stalemated in the early part of the year, but developments in June 1991 opened new prospects for negotiations.

On 13 March, the leaders of the NGC met in Beijing. They re-affirmed their support for the 28 August framework document, the 10 September Jakarta joint statement, the U.N. Security Council resolution 668/90, and the 23 December Paris joint statement. The leaders called "... on all parties to accept all the above documents, particularly in order to implement the resolution 668/90 of the UNSC, to promote a comprehensive political solution to the Cambodian conflict in accordance with the profound aspirations of the Cambodian people who want peace and national independence most quickly".[64] The next day China re-affirmed its support for the NGC's position; a Foreign Ministry spokesman said that China hoped the Phnom Penh government would adopt a "realistic attitude" and accept the U.N. proposals. He stated that "The present obstacles to the settlement of the Cambodian question come from the Vietnamese and the Phnom Penh

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sides".[65] Reports in January and February indicated that military supplies continued to be provided by China to the resistance.[66]

Vietnam continued to endorse the U.N. proposals in principle, while emphasizing that the position of the SOC should be recognized and its administration maintained. A commentary in *Nhan Dan* on 4 April stated that,

> Now, as before, Vietnam always regards the documents prepared by the Big Five as a framework and a foundation for negotiations to achieve an overall political solution on the basis of respect for the United Nations Charter and Cambodia's sovereignty. This principled stance is in line with the realities of the present situation in Cambodia. A fair solution must respect the realities of the present situation in Cambodia where the State of Cambodia is controlling almost the whole territory. The future of Cambodia will be decided by the Cambodians themselves through free general elections.[67]

The SOC, for its part, continued to express reservations about the U.N. proposals both in official statements and in interviews with media correspondents. The SOC's objections appeared to focus on two major issues: the disarming of its forces called for by the proposals and an insistence on "concrete measures" to prevent the return of the "genocidal" Pol Pot regime. Premier Hun Sen, in a speech on 7 March in Phnom Penh, declared that the U.N. draft agreement:

> Does not talk about concrete measures to prevent the genocidal regime's return. It talks about human rights but deliberately leaves out the real dangers which happened in the past and which is a threat now and in the future . . . Criminals have not been punished. Instead they have been granted the freedom to do anything, and at a time when they still have weapons and sufficient political and military structure to massacre innocent people.

On the issue of the SOC's structure and armed forces, he stated:

> It is easy to gather, dissolve and disarm the units of the State of Cambodia through its administration in place . . . It is very easy to gather, dissolve and disarm our troops. However, at the same time who can vouch that the troops of the bandits Pol Pot and allies could be gathered, disarmed and dissolved . . . In such a situation we propose that the political and military status quo be maintained until after the elections.[68]

In an interview in March with the correspondent (and specialist on Indochina) Nayan Chanda, Hun Sen amplified his concerns. He agreed that the SOC's renewed demand for a guarantee against a recurrence of Khmer Rouge genocide could create an impasse in the efforts to promote the U.N.

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proposals, but said that, "I can say OK, it is better to have an impasse than to allow Pol Pot to return through a political solution".[69] Hun Sen suggested that the big powers, in the negotiations on peace proposals, had agreed to drop the reference to genocide in order to placate China, the protector of the Khmer Rouge; he said, "I can tell you that I will never sign an agreement that provides for their [Khmer Rouge] return". Hun Sen, when asked what measures he expected the international powers to take to prevent a return of genocide, said, "... I think we have to get rid altogether of the condition of the genocidal regime itself. Everything should be done that was done with the Hitler regime after World War II. We have to implement the UN Convention on the punishment and prosecution of genocidal regimes". The demands seemingly involved conditions that the other Cambodian parties and their supporters would not readily accept.

In commenting on Phnom Penh's position, Nayan Chanda wrote (in mid-March) that:

> Observers in Phnom Penh are divided over whether the hardening of the government's position is a gamble to force the world to recognise it as the only alternative to the Khmer Rouge or a desperate stand to preserve power and the personal safety of government officials...
>
> Some Cambodian officials and foreign aid workers with close ties to the Cambodian bureaucracy say the hardening of Phnom Penh's position is the result of a growing fear that the UN plan would lead the regime into a trap in which it will first lose power to a Sihanouk-led coalition and then face the merciless vengeance of the Khmer Rouge. According to those sources, an important factor was a growing awareness that Prince Sihanouk still enjoys considerable support among Cambodians.
>
> If free elections are held under UN supervision, a Cambodian official said, Prince Sihanouk and anybody running on his ticket will win easily. That in itself is no problem, the official said, but he fears that the Khmer Rouge, who will have legalised their position by taking part in the election, would be brought into the government as a coalition partner. By the time Prince Sihanouk disappears from the scene, or maybe within a year or two, the Khmer Rouge would be able to use its formidable skill in suborning the population and subverting the government to take power in Cambodia, the official said.

In maintaining its firm position on the peace proposals, the SOC also announced that it would hold its own elections in 1992. SOC Foreign Minister Hor Namhong stated on 4 February that if no settlement was achieved the government would hold its own elections.[70] This proposal for elections under the SOC's auspices was immediately rejected by the NGC resistance.

While the Cambodian parties continued their diplomatic conflict over

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the proposals, other governments continued to seek ways of advancing the negotiation process. Japan made a proposal in March which was aimed at alleviating the concerns and objections of the SOC over the proposed demobilization and disarmament provisions of the U.N. peace proposals. The Japanese initiative called for step-by-step monitoring of a Cambodian cease-fire, punishing of the factions which did not co-operate in laying down their arms, and a special commission to monitor the Khmer Rouge. These suggestions, which would modify the Permanent Five's proposals, appeared to meet with a cool response by the Five, notably China.[71]

The United States also sought to add to pressures for a Cambodian settlement by holding discussions with Vietnam on 9 April, during which it indicated its willingness to proceed towards normalization of relations with Vietnam on a step-by-step basis, if Vietnam committed itself to implementing the U.N. proposals and exerting influence on the SOC to this end.[72] The U.S. commitment was a detailed reassertion of its policies towards normalization, but did not represent any significant change in its position; it was clear that a normalization would be achieved only after a full acceptance by both Vietnam and the SOC of the U.N. proposals.

The impact of the U.S. restatement of its position in relation to Vietnam was uncertain. The initiative may have been designed to exert pressure on Vietnam to accept fully the U.N. framework for Cambodia. However, sentiment in the U.S. Congress continued to be subject to some division. A senior Republican, Senator Richard Lugar, recently called on the United States to lift its trade embargo, and Senator Frank Murkowski has introduced legislation that would effectively "de-link" progress to normalization of bilateral U.S.–Vietnam relations from a Cambodian settlement.[73]

The Cease-fire and the Jakarta Talks, 2–4 June 1991

The declaration of a voluntary cease-fire beginning 1 May 1991 by the Paris conference co-chairmen and U.S. Secretary General Perez de Cuellar, ushered in a new phase in the Cambodian conflict. The proposed cease-fire was to be observed at least until the next round of negotiations. Premier Hun Sen, on a visit to Bangkok where he held discussions with the Thai Prime Minister and Foreign Minister and senior military leaders, stated that, "I believe that if all the Cambodian people say the cease-fire is interesting it will be carried out. I believe the time is now ripe for such a possibility". After the cease-fire was declared, there were a number of reports of violations by all factions, but the level of conflict did appear to drop substantially. A U.N. inspection team which visited both guerrilla-held and SOC-held areas concluded that the cease-fire was being taken seriously.

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The next round of talks was scheduled for Jakarta on 2–4 June 1991, but the outlook for negotiation in the lead-up period appeared unpromising. Observers felt that the SOC was now somewhat more confident about its position after the most recent phase of military conflict in which its armed forces had pursued relatively successful operations, which put pressure on the resistance and resulted in the capture of large caches of weapons from the Khmer Rouge. The SOC made it clear that it would demand revisions to the U.N. peace proposals. Hun Sen declared that, "The Khmer Rouge can only win power politically. The chance for a military victory is passed. Now the UN peace plan gives them every opportunity to play a role in a political solution. I will not give up a single gun. Our parliament has voted against the return of these murderers. It is a commitment we have made to the Cambodians".[75]

The Jakarta talks did not seem to produce progress. On the first day, Prince Sihanouk and Hun Sen agreed on a formula for the leadership of the Supreme National Council, by which Sihanouk would join as chairman and Hun Sen would become vice-chairman. The Khmer Rouge, however, vetoed this arrangement and declined to commit themselves to an extension of the cease-fire because the U.N. peace proposals had not been endorsed by the SOC. The talks failed to produce agreement on the changes sought by the SOC and Hun Sen, which included guarantees to prevent the return of past genocidal practices, a new schedule for demobilization, and a modification of the relationship between the SNC and the U.N. Transitional Authority in Cambodia.

In the aftermath of the Jakarta talks, however, several significant developments occurred. Prince Sihanouk and Premier Hun Sen announced on 5 June 1991 that they had agreed to stop receiving foreign military aid and they expressed the hope that the other Khmer parties would follow suit. Prince Sihanouk said on 6 June 1991 that he would visit Phnom Penh for a period of two months in late 1991 at the invitation of Premier Hun Sen and that the latter had accepted an invitation to visit him at his residence in Pyongyang. Sihanouk then stated that he had decided to join the Supreme National Council as an ordinary member, rather than as chairman, replacing one of the FUNCINPEC's nominees; he stated that, "... in order to actively work for the prompt return of peace to Cambodia, I do not need to join the SNC as its chairman, but can work, intensively, as a simple member".[76] The SOC welcomed the Prince's decision and a meeting of the SNC was arranged in late June.

The Pattaya Meeting, 24–26 June 1991

The meeting of the Supreme National Council in the Thai resort of Pattaya

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in late June 1991 saw further significant developments. The meeting of the Khmer parties took place in an atmosphere which observers considered more conducive to extensive dialogue than had previously been evident. The three-day talks were notable for the very active role played by Prince Sihanouk, who was considered to have made a major commitment to get the SNC "operational" and to seek to act as a "bridge" between the factions.[78]

The Pattaya talks produced several decisions. The Cambodian parties agreed on a continued cease-fire, a cessation of foreign arms supplies (both from 24 June), and on the continued operation of the SNC with Prince Sihanouk as its convenor and chairman. An SNC delegation, led by Prince Sihanouk, would occupy the Cambodian seat in the United Nations. It was also agreed that the SNC would be physically located in Phnom Penh and that each party (including the Khmer Rouge) would be permitted to have its own personnel located in the capital, guarded by its own forces. When the SNC was established in Phnom Penh, foreign governments, including the U.N. Permanent Five members, would be invited to send diplomatic representatives. The Cambodian parties also agreed on a new flag and national anthem for the SNC, which would operate above, but not replace the SOC and the NGC of the resistance.[79] After the talks on 26 June 1991, Prince Sihanouk commented optimistically that "From now on, the SNC is operational because we can, from now on, normalise our relations with the outside world and the Cambodian nation has at last a unified government, a national unity, national reconciliation super-government, above two governments. And there is a ceasefire and there is the cessation of arms supplies, at least on paper".[80]

These developments were greeted favourably by major interested countries. The United Nation's special representative, Rafeuddin Ahmad, said on 26 June that he was very "upbeat about the outcome of this meeting" and that "I'm very confident that this new spirit of national reconciliation that was demonstrated at this meeting augurs well for the future peace in Cambodia". Thai Prime Minister Anand praised the spirit of co-operation at the meeting, a Chinese foreign ministry spokesman welcomed "the positive progress achieved by the meeting", and Vietnamese spokesmen also expressed a positive reaction. Vietnam's Foreign Minister Nguyen Co Thach said that the SOC "had won a great victory because the five permanent members of the United Nations Security Council wanted to dismantle the Phnom Penh regime".[81]

Despite the evident progress, significant questions remained. While a cease-fire had been declared, the Cambodian parties did not agree on the issue of international supervision. The meeting, in addition, did not achieve agreement on the issue of the U.N. peace proposals, since the SOC had reservations about the proposals which they had been expressing in

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previous months. The potential for discord and conflict between the Cambodian parties clearly remained high. After the Pattaya meeting, the Khmer Rouge radio reiterated their demands for a complete withdrawal of the Vietnamese forces they considered to be still remaining in Cambodia; they stated that "Only a complete withdrawal of the Vietnamese immigrants can guarantee the restoration of peace and security in Cambodia".[82] The next phase of discussions was expected to take place at a meeting of the Cambodian leaders in mid-July 1991, which was notable in that it was scheduled to take place in China.

The outlook for negotiations in the wake of the Pattaya meeting was more auspicious than it had been in early 1991, but much clearly remained to be discussed. Even if the reservations of the SOC about the U.N. peace proposals could be settled between the parties, the movement to agreement on a settlement process might still face significant challenges. Once they had accepted the United Nation's involvement on agreed terms, the parties would need to negotiate further important questions, including the issues of how precisely voting would be organized in an election, whether Vietnamese residents in Cambodia would be entitled to vote and to remain in the country, and how long the period of U.N. transitional involvement should be. These issues would all require detailed negotiation and could well spark considerable disagreement among the Cambodian parties.

AUSTRALIA AND CAMBODIA

Australians at both official and non-governmental levels have been involved intensively in efforts to provide humanitarian assistance to Cambodia and contribute to the search for a negotiated settlement to the conflict.

In the aftermath of the overthrow of the Khmer Rouge regime at the end of 1978, Australia contributed extensively to the relief efforts, both on the border and within Cambodia. The Australian people contributed more than A$15 million in this period. Since then, Australian official policy has been to withhold bilateral development assistance in line with prevailing U.N.-endorsed policies, but Australian non-governmental organizations (NGOs) have operated extensively in the country and have received financial support from the government in doing so. The Australian Government has also supported international agencies providing humanitarian aid inside Cambodia.

In 1989/90, Australia provided approximately A$7 million through international agencies (UNICEF and the International Rice Research Institute) and Australian NGOs for projects inside Cambodia aimed at providing basic shelter, water, agriculture, health and education. In addition, A$2 million was provided in 1989–90 for assistance to Cambodians in

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camps along the Thai–Cambodian border. The government has also provided emergency assistance. Senator Evans announced on 20 January 1991 that Australia would provide more than A$2 million for humanitarian assistance programmes on the Thai–Cambodian border and inside Cambodia. Of this sum, A$1.5 million was allocated to the United Nations Border Relief Operation (UNBRO) for support to displaced persons in border camps, and A$550,000 to the International Committee of the Red Cross (ICRC) for its work along the border and inside Cambodia. A further A$1 million is being provided to the World Food Programme (WFP) for the purchase of rice for emergency food aid inside Cambodia to be distributed to internally displaced Cambodians and those suffering from food shortages. Australia supplied about A$4 million in emergency assistance in the 1990–91 financial year.

Australian NGOs operated actively throughout the 1980s in Cambodia and currently support a number of assistance projects. The NGOs have supported and organized a co-ordinating office in Phnom Penh, the Joint Australian Non-Governmental Organisations Office, which provides on a non-official basis invaluable support to Australians working in and visiting Cambodia. The Australia NGOs have built up experience in working in Cambodia for over a decade, which is a valuable resource and a basis for a more extensive relationship when that becomes feasible at an official level.

A further Australian contribution, appreciated in Cambodia, has been the work of OTC International in establishing a satellite station in Phnom Penh. The international telecommunication link, which was opened on 10 October 1990, has provided a A$2 million satellite earth station in a ten-year contract with the Directorate of Posts and Telecommunications. Cambodia and OTCI will share in the profits of the facility, which has improved greatly Cambodia's communications. External telephone calls had previously to be relayed through the Soviet Intersputnik system and even through Moscow's phone exchange.[83]

Australia's diplomatic approach to the Cambodian conflict has developed through several phases since 1979. When Vietnam's forces invaded the country (with their Khmer allies) and displaced the Democratic Kampuchea regime, Australia condemned the invasion, suspended bilateral aid to Vietnam (in January 1979) and for a time maintained diplomatic recognition of the ousted Democratic Kampuchea regime. This approach produced considerable public and Opposition criticism and in 1980, Australia withdrew this recognition; the change was announced on 14 October 1980 and implemented on 14 February 1981. The Fraser Liberal National Party government lent its full support to ASEAN's opposition to Vietnam's presence in Cambodia and endorsed and co-sponsored the annual ASEAN resolutions on Cambodia in the United Nations.

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The Hawke Labour government from 1983 took further steps to endeavour to explore avenues for a settlement. Foreign Minister Hayden visited Indochina in 1983 and 1985, and held extensive discussions with other major interested parties. Mr Hayden explored the concept of an international tribunal to consider the question of the Khmer Rouge's responsibility in relation to genocide in Cambodia. The government also sponsored international seminars at Griffith University to consider bases for a Cambodian settlement.

Since November 1989, the Australian Government's diplomatic efforts have been focused on the concept of U.N. involvement, as discussed above and outlined in Senator Evans' statement of 6 December 1990. In the statement, Senator Evans, after outlining the genesis and character of the U.N. peace proposals, concluded by noting that while a comprehensive settlement was feasible, "... it is important for the Cambodian parties themselves to appreciate that the international community does not have infinite reservoirs of commitment and patience to provide to the peace process, particularly if the Cambodians themselves are not willing to help maintain forward momentum". He also stated that "the window of opportunity for progress may well start to close around the end of this year". He went on to say:

> If it becomes clear that, despite the best efforts of all concerned, a comprehensive settlement is unachievable, Australia, along with other western and regional countries, will need to review other policy options. It is very clear that any course other than a comprehensive settlement would be very much a second-best option. Diplomatic recognition and the moderate levels of economic assistance which might be forthcoming over time would obviously help the SOC psychologically and to some extent practically. But the Khmer Rouge military threat, on the assumption of continuing arms supply from China, would remain a major challenge to the survival of the SOC regime. The internal weaknesses of the SOC regime, with all that they imply for its long-term vulnerability, could be expected to continue.

Australia's policies towards the resolution of the Cambodian conflict have been the focus for some criticism from the Opposition within and outside the Parliament. The Opposition's Shadow Foreign Affairs Minister, Senator Hill, visited Cambodia in July 1990 and on his return warned that the Khmer Rouge were making progress in a situation where the Hun Sen regime was becoming gradually weaker. He advocated that Australia should urge ASEAN to support the U.S. initiative announced by Secretary of State Baker, support the immediate vacating of the Cambodian seat in the United Nations General Assembly, and use its relations with Vietnam to urge the Hun Sen regime to commit itself to open and free multi-party elections in Cambodia even if a comprehensive settlement was not achieved

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and the Khmer Rouge refused to take part in elections.[84] In responding to Senator Evans' 6 December statement, Senator Hill stated that the Opposition had expressed concerns that in the past year, the Khmer Rouge had gained extended power and influence through its terrorist tactics. The opposition had also raised concerns about the deteriorating position of the Hun Sen regime, and that the comprehensive settlement could lock in a power balance between the Khmer factions which was very different to the one first envisaged. Senator Evans' plan is premised on a set of conditions in Cambodia which have changed considerably in the past year...the balance of power in Cambodia between the factions has swung towards the Khmer Rouge through its continuing guerrilla warfare successes and away from the Hun Sen regime through its economic and internal political problems.

He went on to comment that: "If the inherent delays in the Evans model for settlement means the plan becomes merely a path back to Khmer Rouge rule in Cambodia, then the international community should look to a resolution which excludes the Khmer Rouge and involves the three remaining Khmer factions".[85]

In statements in 1991, the government indicated its continuing commitment to the U.N. proposal for a comprehensive settlement. Senator Evans said in the Senate on 13 February that the settlement process "...has not been leaping forward in recent months but it has been inching forward. The United Nations peace plan, based of course on the original proposal from Australia, remains in our judgement the only way of finally and peacefully resolving this conflict". On recent developments, the Minister stated that:

> I think that the consultations in Vietnam and elsewhere have confirmed over recent weeks that there are really now three significant unresolved issues, namely, the demobilisation provisions in the draft settlement text; associated weapons custody arrangements; and how to deal in the settlement text with the issue of non-return of genocide, and how that should be linguistically addressed. Given the necessary political will to resolve these issues, which is still evident, a comprehensive settlement is still well in sight.

On the question of the proposal by the SOC to hold its own elections in 1992, Senator Evans stated:

> Certainly, it is our judgement that the unilateral holding of elections will not resolve the conflict or end crucial outside assistance to the Khmer Rouge. The only thing that can do that is a comprehensive settlement and it can do it by ensuring that China cooperates in the processes and ceases its military support of the Khmer Rouge. In our

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> judgement, only a comprehensive settlement of the kind proposed under the UN plan will enable all Cambodians to determine their future through free and fair elections — elections, of course conducted and organised by the UN.[80]

On 2 July, the Australian Government announced that it would appoint an ambassador to the Supreme National Council. Initially, the post would be assumed by Australia's Ambassador to Thailand, but plans were under way for establishing a mission in Phnom Penh, to be opened when the SNC took up residence there.[87]

CONCLUDING COMMENT

While the long running conflict over Cambodia remained unresolved in mid-1991, the outlook for negotiation and settlement seemed more auspicious than had been the case at any time since 1979. The substantial changes in the international and regional environment were encouraging the amelioration of both the conflict among Cambodia's contending parties and the estrangement between China and Vietnam. The Cambodian parties had displayed at Pattaya a substantially increased interest and capacity in developing bases for accord and further possible negotiation. Prince Sihanouk was playing an effective and influential role as a facilitator and negotiator. While the U.N.-sponsored peace proposals had not yet been agreed upon and accepted by all of the Cambodian parties, by providing a much more detailed set of arrangements for a settlement than had been available before 1989, they had had a catalytic effect in stimulating a re-assessment of positions and in providing, in the Supreme National Council, a potentially valuable focus for dialogue. Overall, it appeared possible that the long-standing obstacles to substantive changes in the Cambodian conflict might be ameliorated.

None the less, major challenges confronted the achievement of a durable settlement. The legacy of conflict in Cambodia since 1970, and particularly the record of the Khmer Rouge in power, had left a pattern of suspicion and deep hostility among the Khmer parties, and the potential for disagreement and discord remained especially between the Khmer Rouge and the SOC. A process of settlement would need to be accompanied by a further improvement in relations between China and Vietnam. Furthermore, the major political challenge for Cambodia continued to be the achievement of a widely accepted, stable and viable political administration, with the authority to maintain civil order, the administrative capacity to mobilize international assistance to confront the enormous tasks of social and economic reconstruction, and the ability to maintain a set of foreign relationships that would preserve Cambodia's national security.

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NOTES

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United States Human Rights Policy towards Burma, 1988–91

ANDREW M. DEUTZ

Official U.S. interests in Burma have principally been concerned with limiting narcotics production, developing trade and investment, and fostering human rights. Throughout the 1980s, U.S. policy and assistance concentrated on Burma's opium production, but the military crack-down of 1988 sharply refocused U.S. attention. The United States suspended all anti-narcotics funding and development assistance to Burma, amounting to US$12 million annually. The renewal of U.S. assistance remains conditional upon improvements in the Burmese Government's respect for human rights and the seating of a popularly mandated government. Many of Burma's regional trading partners took a different position and placed economic relations over human rights concerns, which has meant that the prospects for comprehensive, multilateral trade and arms sanctions are bleak. A multilateral approach would be the most effective means of pressuring the Burmese authorities to improve their human rights record, but such an approach is confined by the limits of the international consensus concerning human rights and how they should be protected and promoted. In the meantime, there are some limited initiatives that the United States can unilaterally undertake, such as facilitating the admittance into the United States of Burmese students who face political persecution as well as easing requirements for granting them refugee status.

Burma[1] has one of the worst human rights records in Asia and, according to a U.S. State Department official, is also one of the few countries in

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the world where U.S. foreign policy is dictated almost exclusively by human rights concerns.[2] The latter is due to the otherwise limited extent of U.S. interests in the country. There has never been a geopolitical struggle for Burma, there are no U.S. military bases there, and few American companies have invested in the country. Official U.S. interests in Burma have principally been concerned with limiting narcotics production, developing trade and investment, and fostering human rights. Throughout the 1980s, U.S. policy and assistance concentrated on Burma's opium production, but the dramatic events of the summer of 1988 sharply refocused U.S. attention. Since the military crack-down against pro-democracy demonstrators, the United States has undertaken a series of steps intended to promote compliance with basic international norms of human rights by the Burmese government. Because of the nature of the political events in Burma over the last three years, U.S. policy has concentrated on fostering civil and political rights to promote democracy. Washington responded quickly to the immediate events in the summer of 1988, but subsequent policy has been slower to react to the aftermath of the crack-down and to further developments in Burma. What follows is an assessment of the human rights situation in Burma, an analysis of current U.S. policy, and a brief series of recommendations for U.S. policy in the light of Burma's human rights record.

Burmese Historical and Political Background

The independent Union of Burma was formally inaugurated in January 1948, marking the end of a century and a quarter of foreign colonial domination. The government was a liberal democratic system modelled on British parliamentarism until Prime Minister U Nu was overthrown in a military coup by General Ne Win in March 1962. Ne Win retained direct control of the country through a ruling military junta until his resignation in 1988. He was eventually succeeded by a protégé, Saw Maung, and is currently considered to exercise substantial behind-the-scenes authority.

The military seized power in 1962 on the pretext of maintaining national unity in the face of conciliatory moves by U Nu towards ongoing ethnic insurgencies. Burma is unique in that it is the only country in Southeast Asia that borders both India and China, and its political culture has been strongly influenced by elements of these ancient cultures. It is also one of the few places in the world where so many religious traditions converge. The formerly federal structure of Burma loosely demonstrates the ethnic and religious diversity of the population. The Arakan state on the western border with Bangladesh is predominantly Muslim. The popular

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religions of the Shan and Kachin states in the north combine native shamanic beliefs with an eclectic mix of Chinese traditions. The Karen and Kayah states in the east both have significant Christian populations resulting from proselytization during the British colonial days. Finally, the Burman ethnic majority is 98 per cent Theravada Buddhist. These religious cleavages are further enhanced by the ethno-linguistic divisions within which they are associated. There are a dozen distinct ethnic groups in Burma and more than one hundred languages and dialects are spoken throughout the country. The implication of such diversity is that the entity of Burma is not, nor has it ever been, a nation.[3]

Most of the minority ethnic groups are located in peripheral, mountainous and jungle regions around the country's borders. For geographic reasons, it has traditionally been difficult for central authorities to establish effective control over many of these regions beyond the central Irrawaddy River plain and delta. In addition, many of the ethnic groups have their own insurgent armies which have been fighting the central government for greater autonomy or outright independence. The Karen National Liberation Army revolt, dating back to the independence era, is probably the oldest continuing ethnic insurgency in the world. Each of the Shan, Mon, Karrenni, Kayah, and Chin ethnic groups possesses a small army which prevents effective central government control over much of the respective regions. The Burmese army fights frequent and largely indecisive skirmishes against these various forces, which the junta has used as justification for its continued authoritarian rule and huge military budgets.

Burma is the world's leading opium producer. In 1988, it produced more than 1,200 tons of raw opium, which accounted for nearly half of the world's supply. The vast majority of it is grown in the Karen, Kayah and Shan states, which comprise a sizeable portion of the Golden Triangle. The profits from opium production are sufficient to maintain the autonomy of these ethnic regions and finance their associated military operations. In many cases, the narcotics trade has replaced the "ethnic" or "ideological" impetus for revolt with a form of opium warlordism to protect the lucrative trade by keeping the central government at a safe distance. As a result of these factors, the insurgencies have become thoroughly institutionalized and, in many cases, symbiotic with the opium trade. The central government has proved ineffectual in eradicating or even curtailing narcotics production and distribution.[4]

Human Rights Situation in Burma up to 1988

The overall human rights record in Burma up to 1988 was one of the worst in Asia. The most grievous transgressions concerned violations

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of civil and political rights on the one hand, and the basic integrity of personal rights on the other. The first category has generally been the result of the authoritarian character of the military junta. The latter stemmed primarily from the mistreatment of ethnic minorities following an intensification of counter-insurgency operations in the mid-1980s. Even though actual military engagements have been limited in scale and confined to remote regions, Ne Win used the insurgencies to justify control of the Burmese population through a security apparatus that allowed no dissent. The result was the development of the kind of national security ideology common in many authoritarian regimes faced with internal insurrection.

Perhaps most significant within the realm of political and civil rights abuses is the fact that under the 1974 Constitution, citizens do not have the right to change their government. Dissent and criticism of the government are not tolerated. Under the State Protection Law of 1975, suspects may be held for up to three years without being charged or tried for actions which "endanger the peace of most citizens or the security and sovereignty of the state". Under the Emergency Provisions Act of 1950, originally enacted during the civil war but which continues to be enforced, persons may be prosecuted for "spreading a false news item or a rumor to excite dissatisfaction" or for causing "disintegration of the moral character of the people using methods that cause harm to the security, the law and order and rehabilitation of the state".[5] In practice, the concept of "crimes against the state" is broadly applied, resulting in the arbitrary arrest and detention of dissidents. Opposition viewpoints are not tolerated. Once detained, according to the U.S. State Department, "police and security forces at times use psychological coercion and torture during investigation in both criminal and political and security cases". In addition, the junta maintained a series of other mechanisms to quell dissent. The government owns and operates all forms of mass media in Burma, including the single national newspaper. All other forms of communication, including private correspondence and telephone conversations, are subject to heavy government control and censorship. To enforce these measures actively, security forces are not subject to any form of judicial restraint barring them from entry and search of private dwellings in alleged political or security cases. Furthermore, the government has developed a thorough system of neighbourhood informant networks to report on dissidents and criticism of the government.[6]

Economically, Burma has been rated by the United Nations as a "least developed nation" since December 1987. Before World War II, it was one of the wealthiest countries in Southeast Asia and unique among developing countries and colonies, being a major exporter of both food and energy. In fact, Burma was the world's largest rice exporter. However,

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as a result of the war and inept economic management, it imported rice for many years and did not attain pre-World War II levels of rice production until the 1970s, when it liberalized and experienced an explosion in multilateral and especially bilateral assistance.[7] Ne Win's particular brand of socialism was essentially an inefficient military monopoly of most sectors of the economy. This structure, in conjunction with the regime's isolationism, prevented effective development and exploitation of the country's substantial mineral and petroleum resources. The economic development that has taken place has been extremely uneven. In part this is due to geographical factors impeding the development of an integrated infrastructure. Nevertheless, most of the ethnic minorities still live at the subsistence level. Burma's chronic insurgencies also play a large role in retarding economic development in these regions. These revolts generally originated as drives for independence for the minorities from perceived ethnic Burman domination, but many of them now press simply for greater authority. Historically, the various minorities have been poorly treated by the Burman majority and considered inferior. In general, minorities are underrepresented in the government and excluded from the military leadership, in addition to suffering from other forms of discrimination.[8]

The most egregious violations of human rights prior to the summer of 1988 revolved around the government's counter-insurgency operations. Because the junta has not allowed foreign diplomats or reporters to travel to remote areas not under its control, information about these operations is sketchy. Nevertheless, Amnesty International (AI) released a report on the situation in the spring of 1988 based on hundreds of interviews with Burmese refugees primarily residing in Thailand. The reports concluded: "So numerous and similar are the accounts of human rights violations given by the refugees that in Amnesty International's view they show a consistent pattern of gross violations of human rights. The organization was told of case after case of people being apprehended, tortured and killed in defiance of Burmese and international law."[9] The military's counter-insurgency strategy has involved attempts to separate the insurgent forces from sources of logistical and other support. The army imposed harsh restrictions on villagers' movement, place of residence, and wealth. Entire villages were regrouped into fenced off settlements under strict curfew in a "strategic hamlet" programme. These restrictions impose severe hardships on itinerant traders as well as farmers who require freedom of movement to tend their crops. Individuals found in off-limit areas or out after curfew were often accused of aiding the insurgents and, according to the AI report, may have been summarily shot or taken into custody and tortured. Anyone found storing rice in greater quantities than permitted by the military was likely to suffer the same fate.

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AI also reported several accounts of torture so severe as to have resulted in death.[10]

Another "counter-insurgency" policy of the government's forces consisted of seizing local villagers to serve as porters and guides through the jungles. The 1988 State Department Country Report on Burma cites Burmese government statistics claiming that 1,120 people had been rounded up for labour and porter service against insurgents by mid-1988. There were numerous reports of individuals being beaten or killed for not working hard enough. Such indiscriminate murders were apparently not restricted to government forces. Karen, Kachin and Mon insurgents have reportedly killed civilians as well, and allegedly carried out terrorist bombings against civilian targets. Independent verification of these allegations has been difficult because the Burmese Government does not allow independent organizations to directly monitor its human rights practices, and has routinely denied allegations of torture and arbitrary executions.[11]

U.S. Foreign Policy towards Burma up to 1988

Despite the human rights situation in Burma, U.S. foreign policy was primarily concerned with narcotics interdiction and eradication. According to a General Accounting Office assessment of State Department anti-narcotics assistance to Burma, 1988 saw the production of 1,200 tons of raw opium, which is twenty times the amount necessary to supply U.S. heroin consumption. Since 1974, the United States has provided more than US$80 million under the Foreign Assistance Act of 1961, specifically aimed at reducing the flow of opium products into the country. Initially, the State Department programme was aimed at interdiction and manual eradication in remote areas. It provided the Burmese Air Force with twenty-eight helicopters and six fixed-wing transport aircraft, as well as radios and other equipment. In 1985, the Department stepped up its assistance by providing five Thrush spray aircraft, herbicide, and pilot training for an aerial eradication programme that was in place by the 1986 growing season. Subsequently, it continued support for interdiction and manual eradication while also providing ongoing maintenance support for the aircraft.[12]

U.S. trade with Burma has been limited. As part of Ne Win's "Burmese Way to Socialism" the government led the country down a strict path of isolationism and autarky. This programme proved economically unfeasible and was eventually loosened in the 1970s and 1980s. The result has been a small amount of legal trade with the United States, amounting to US$10–12 million of imports and exports annually. Burma has also expanded its trade relations with many of its Southeast Asian neighbours and Japan,

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all of whom have strong markets for Burma's lumber resources. The United States also provided a small amount of Agency for International Development (AID) assistance throughout the 1980s amounting to $4–5 million annually, in addition to anti-narcotics funding.

Throughout this period, very little attention was paid to the regime's human rights abuses because of other concerns. The State Department stated that "U.S. policies on opium enforcement [in Burma] have been driven by our national interest — the reduction of heroin availability in the U.S. market, particularly in our great cities where heroin use may again be on the rise".[13] This policy concern was assessed by Senator Daniel P. Moynihan, who has led the drive for congressional legislation and U.S. action in response to Burma's human rights situation. In a testimony concerning a Joint Congressional Resolution that he sponsored condemning human rights abuses in Burma, he stated: "Our policy has been wrong. Drastically wrong. Our policy toward Burma has been solely concerned with opium eradication without any apparent understanding of the civil strife there or the brutal, repulsive nature of the government that we have made our partner". This characterization of U.S. policy is essentially accurate for pre-1988 relations. Following the tumultuous events of the summer of 1988, however, U.S. policy has focused, almost exclusively, on human rights considerations.

The 1988 Demonstrations and Aftermath

The summer of 1988 proved to be the most politically tumultuous period in Burmese history since independence. In March, an argument in a Rangoon tea-house escalated into a week of rioting by students in the capital. Various reports put the death toll between two and two hundred for the week, in the most serious confrontations between students and security forces since the 1962 coup.[14] In late June, spontaneous riots again erupted in Rangoon which claimed the lives of at least ten people. Students were joined by ordinary citizens during the June riots which was a significant development compared to March. This was interpreted as a sign of growing popular dissatisfaction with the authoritarian practices of the military government. Citing the bloody anti-government rioting, General Ne Win resigned on 23 June after twenty-six years and announced that a referendum would be held on one-party rule as well as economic reforms. The State Department had no official reaction to this unexpected move.

Ne Win was immediately replaced by his protégé U Sein Lwin, a retired hardline general who had been responsible for the ruthless suppression of unrest. This move prompted thousands of students to march through the streets of Rangoon in protest by early August. The government

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responded by declaring martial law and stepping up arrests of suspected dissidents. When this action only increased the intensity of the demonstrations, government security forces responded with lethal force in an effort to quell growing dissent. The State Department reported that, in response to a captain's orders, soldiers knelt in formation and fired repeatedly into crowds of teenage demonstrators. In many cases, the bodies were carried off for surreptitious mass burial to mask the scale of the carnage. Official estimates put the death toll at ninety-five. Eyewitnesses estimated that it was closer to three thousand, with some estimates as high as five thousand. The State Department placed the number of deaths for the 8–13 August period at "probably over 2000, but actual numbers can never be known".[15] The violence subsided temporarily with the resignation of Sein Lwin on 13 August. Despite the repression, demonstrations continued, but with thousands of protestors rather than hundreds of thousands.

Within a few days, Attorney General Maung Maung, a close associate and biographer of Ne Win and one of two civilians in the Cabinet, became the new head of state in a move that was interpreted as an attempt to appease the protestors. At the same time, the pro-democracy movement was growing bolder and more broadly based. In his first of several conciliatory moves, Maung Maung announced an end to martial law on 24 August and reproposed a referendum to end the one-party state. Hundreds of thousands of demonstrators filled the streets to demand that the government resign immediately without slow formalities. The government then released 1,700 jailed protestors.[16] In the face of the demonstrations, security forces withdrew from the city and government functions practically came to a standstill. Law and order essentially broke down as looters ransacked government buildings and factories while troops failed to respond. The unity of the military itself was crumbling. On 7 September, ten army battalions and one air force squadron pledged to support the demonstrators in seeking Maung Maung's immediate resignation. Maung Maung, however, refused to step down and in a final attempt at conciliation, offered to forgo the referendum, end twenty-six years of one-party rule, and hold direct, multi-party elections. The Burmese Parliament set a three-month deadline for the elections, but the opposition was unwilling to accept elections administered by the regime and demanded a neutral, interim government.

Reports circulated throughout Burma that Ne Win was still firmly in control, despite having resigned his official post, which fuelled mistrust of the government's proposed concessions. This skepticism turned out to be justified. On 18 September, Burmese armed forces removed the civilian leadership in a coup reminiscent of that in 1962. Defence Minister General Saw Maung immediately assumed power and established himself as head

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of the State Law and Order Restoration Council (SLORC). He outlawed anti-government demonstrations and public gatherings of more than five people and ordered striking workers back to their jobs. Many of the pro-democracy demonstrators defied these orders and the SLORC responded by unleashing its security forces on unarmed civilians. The State Department estimated that "possibly 1,000 people were killed in Rangoon during the 19–21 September period".[17] The regime also moved to quell dissent in ninety-one other cities and towns throughout the country. Thousands of students who survived fled into the jungles of the border regions to seek refuge from the junta's security forces with the ethnic minorities.

Initial U.S. and International Responses

The United States responded immediately to the crack-down by announcing on 22 September that it would suspend its US$12 million worth of assistance to Burma. Of this, US$8 million was anti-narcotics funding, and the remaining US$4 million was AID assistance. This move was echoed by Germany and Japan, which had been contributing US$100 million and US$300 million respectively in development assistance annually. These measures had the cumulative effect of cutting off 90 per cent of Burma's foreign exchange. It was also the first time that Japan had explicity linked development aid to human rights concerns. The Japanese Government, however, was soon under both internal and external pressure. It did not wish to break with the donor community, but the Japanese business community formally remonstrated that it was losing money on contracts that had been signed but on which it could not deliver. In February 1989, a compromise was reached whereby the Japanese Government recognized the regime in Rangoon and allowed the resumption of previously approved projects. Negotiations concerning new programmes were to await the outcome of the elections scheduled for May 1990.[18]

Unlike Japan, most of Burma's Asian neighbours were unconcerned about the regime's human rights record. Only a few weeks after the crack-down, Burma is reported to have received an arms shipment from Singapore. In November, Thailand sent a senior trade delegation to negotiate the strengthening of economic ties between the two countries. By the beginning of 1989, both South Korea and the Philippines were going ahead with commercial deals as well.

In addition to its economic assistance cut-off, the United States sent several strongly-worded notes to the Rangoon authorities deploring their actions and calling for improvement on Burma's human rights record. In March 1989, the United Nations Human Rights Commission approved a mildly-worded resolution encouraging the Burmese Government to

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take steps to assure human rights. A full year after the crack-down, the European Community did likewise.[20] At no point in this period did the U.S. Government seriously consider trade sanctions against Burma. In 1988, U.S. exports to Burma amounted to approximately US$11 million and imports came to US$13 million. Cutting this off as well might have provided additional incentives to the SLORC, but State Department officials estimated that any benefits would be negligible.[21] Nevertheless, AID assistance was cut off and has not been resumed. Assistance for opium eradication has not been resumed either. The general consensus at the State Department was that the renewal of U.S. assistance would be conditional upon improvements in the regime's respect for human rights and the holding of free and fair elections for a popularly mandated government.[22]

Student Refugees: Repatriation and Asylum

Following the government's crack-down in September, thousands of students fled to the remote border regions to seek refuge. The U.S. Committee for Refugees estimated that by mid-October, there were 7,500 students on the Thai-Burmese border, with another 1,000 at the Indian border and 2,000 at the Chinese border. When the students first started arriving at the Thai border towns, Bangkok characterized them as "war refugees" and promised temporary asylum. Foreign Minister Siddhi Savetsila stated that "We cannot send them back right now because they would be killed". However, as the numbers steadily mounted the Thai Government gave the Burmese demonstrators an increasingly cold shoulder. On 8 October, Thai authorities rounded up 135 Burmese students from a Buddhist monastery where they had sought refuge and trucked them back across the border. Following the trade mission to Rangoon, the Thai Government set up a repatriation centre at a military airfield near the border. Hundreds of students were repatriated from this base until the Thai authorities bowed to internal student and religious pressure to close it in March 1989. However, on the day of the closure, the government announced that all Burmese students remaining in Thailand would be considered illegal immigrants and therefore subject to arrest and deportation.

The Burmese authorities established "reception centres" for the repatriated students along the border. The government offered them amnesty and staged a press conference in January for the students to demonstrate that they were not being maltreated. However, Amnesty International reported that some of the returning students "were either taken into custody and executed by army units or were shot and killed by soldiers who ambushed them in the forest". Several of the returned soldiers who spoke with reporters privately in January corroborated these reports. In

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May 1989, the SLORC laid down all pretensions and announced that all returning students would be subject to long prison terms and that those who continued their political activities after their return would be executed.[23]

The plight of those students that remained in the border regions was only marginally more encouraging. Small amounts of food and medical supplies were provided by international relief agencies as early as October, but most of what did arrive was sent by a few private, expatriate Burmese groups. Distribution of the relief that was sent generally proved unco-ordinated and inefficient, as well as insufficient. In general, few international agencies were willing to provide assistance across the Thai-Burmese border since such shipments would have technically been illegal. The situation improved marginally in the spring of 1989, primarily because the refugee population dropped to approximately 3,000 as students found their way home, were repatriated, or managed to slip into Thailand. In May, several non-governmental relief groups organized the Burma Co-ordination Group, which has succeeded in co-ordinating much of the relief as well as collecting US$50,000 in initial pledges from international sources.[24]

In the face of these private initiatives, the U.S. Government demonstrated a detached attitude towards humanitarian relief. Washington's policy was summarized by Richard Schifter, Assistant Secretary of State for Human Rights and Humanitarian Affairs, in a testimony before the House subcommittees on 13 September 1989, as follows:

> Aside from our concern about continued human rights violations in Burma, we have been mindful of the plight of Burmese students who have taken temporary refuge in Thailand and near the Thai-Burmese border.
>
> We support continued timely humanitarian assistance to ease their stay. Private voluntary organizations, functioning through the Burma Coordinating Group, are attempting to meet the needs. We believe that those efforts deserve backing and are exploring ways to assist in this effort. Items such as malaria pills, mosquito netting and food remain in short supply.[25]

The fact that the State Department was still looking for ways to assist a full year after students started arriving at the border cannot be attributed to mere lethargy. The United States sent humanitarian assistance to Burma when it experienced a rice shortage subsequent to the crack-down. Apparently, the reason for the negligence towards the students was attributable to a desire not to offend Thai sensitivities. Deputy Assistant Secretary of State for East Asian and Pacific Affairs David Lambertson explained the rationale before the same congressional session:

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> Well, we have supported the effort to try to find ways of getting aid to the students along the Thai/Burmese border. We believe that a high profile effort to provide U.S. Government aid to the students, frankly, would be counterproductive in the sense that it would upbraid Thai sensitivities.
>
> The Thai Government maintains diplomatic relations with Burma and technically regards the Burmese students present on its soil as illegal immigrants. On the other hand, the Thai have treated them leniently and have permitted the flow of humanitarian assistance to continue to these students.
>
> But I think it is, given the facts of the situation, important to proceed in a way that will permit that flow to continue and will not raise new problems, new political problems in the course of the effort.
>
> So, that's what we think is important to bear in mind and we are continuing to work with Congress on a means of facilitating the flow of humanitarian assistance to these students.[26]

Apart from inadequate food, shelter, and medical supplies, there is also the persistent threat of attack by the Burmese Army. Malaria has also taken a toll, claiming an estimated 100 student lives in the first year.[27]

U.S. policy towards the Burmese students was sluggish with regard to the granting of political asylum and refugee standing. In June 1989, the *New York Times* reported that Burmese students who had escaped to Thailand had approached the U.S. Embassy to request asylum and were told that they would have to return to Rangoon to apply for it there. Considering the decrees of the SLORC, such a proposition was clearly unfeasible. The *Times* also reported that not a single student was known to have been accepted for asylum in the West.[28] Deputy Assistant Secretary Lambertson testified in September that the *Times*' report of embassy practices was unfounded. He outlined U.S. policy: "We are also committed to continued facilitation of travel to the United States of those Burmese who meet the criteria for refugee or parole status. A number of Burmese have arrived in the United States under parole".[29] On 7 August, the *Washington Post* reported that a prominent student leader of the pro-democracy movement was denied permission to enter the United States. A week later, the Immigration and Naturalization Service (INS) reversed the decision and allowed two exiled Burmese into the country.[30] Echoing the allegations reported in the *Times*, the U.S. Committee for Refugees assessed the Bush Administration's policy, arguing that since that time,

> the Embassy has developed a policy of sorts. In early August, a U.S. refugee official told USCR that Burmese students have been issued "one or more" non-immigrant visas and "only in extraordinary cases", parole. In July and August, the Immigration and Naturalization Service

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> approved three Burmese cases for parole. "At this point," the official said, "the U.S. envisions no refugee program for Burmese" but indicated that UNHCR has asked for consultations on the issue.[31]

Such a statement from a U.S. refugee official is most perplexing when compared with the Bush Administration's policy towards Chinese students in the wake of the Tiananmen incident. President Bush made a point of publicly extending the visas of all Chinese students who were in the United States at the time and feared returning home. Perhaps the slight loosening of immigration restriction for the Burmese was in part an attempt to maintain consistency with the Administration's China policy. However, it is clear that the Administration failed to maintain any semblance of consistency, either in form or magnitude, in responding to the plights of these two groups of student demonstrators.

Human Rights Situation: 1989–90

According to the State Department's 1989 Country Report: "Burma's dismal human rights situation deteriorated even further in 1989. Government control over the population and interference in individual lives significantly increased, as did credible reports of torture, widespread arbitrary arrests, disappearances, and compulsory labour". The number of deaths at the hands of Burma's security forces was considered high, but undetermined and estimated to be lower than the total for 1988. The Embassy in Rangoon received credible reports that many pro-democracy demonstrators were executed when they returned home. It also received reports of dissidents being killed while in prison as a direct result of torture. The Burmese Government denied this and, while acknowledging that some deaths did occur, claimed they were the result of disease. There were also credible reports to the U.S. Embassy and Amnesty International of government forces rounding up students who had fled to the border regions or simply executing them where they were found.[32]

The government arbitrarily arrested or detained several thousand persons during 1989. Conservative estimates put the number of politically motivated arrests at about 4,000. Most of these were apparently either active members of opposition groups, persons involved in the anti-government movement, or students returning from the Thai border regions. According to State Department officials, instances of torture appeared more numerous in 1989 than previously, and that it was generally commonplace among political prisoners.

As part of the initial crack-down, the SLORC declared martial law throughout the entire country, imposed a 10 p.m. to 4 a.m. curfew, and

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continued its draconian security practices to crush dissent. Individuals have no pre-trial rights under martial law, and military tribunals try virtually all political and criminal cases.[33] Beginning in late 1989, the government also commenced a country-wide programme of forced relocation of urban poor, usually to inadequately prepared sites and without compensation. Universities remained closed since the summer of 1988 and in response to renewed student activism, the SLORC closed all schools throughout the country for a year and threatened legal action against those who taught privately. However, in a characteristic show of favouritism, military children were permitted to attend special schools, often taught by military spouses. The regime's practice of forced labour was increased in 1989 and saw the substitution of student dissidents as human minesweepers instead of ethnic minorities.[34] The U.S. State Department estimated in January 1989 that thousands of students had been impressed to serve as porters and human shields since the September crack-down.[35] It would be impossible to estimate the total number of students so treated since January, but it appears clear that the regime's security forces were responsible for a total civilian death toll in the thousands in 1989, as in 1988.

According to the State Department, Burma's human rights situation did not improve in 1990. Disappearances, arbitrary arrests, unfair trials, and compulsory labour persisted. Torture and mistreatment of political prisoners remained "commonplace". The regime's forced relocation of half a million urban poor resulted in widespread deprivation and some fatalities. Security forces continued to use excessive force in putting down anti-government demonstrations, though political killings were reportedly less common than during the previous two years.[36]

The Current Situation: The May 1990 Elections and the Aftermath

When the military crushed the pro-democracy movement in September 1988, the SLORC announced that it would eventually hold elections, once law and order had been re-established. In February 1989 it announced that multi-party elections would be held in the spring of 1990. The political situation in Burma remained relatively calm until the anniversary of the birth of the student movement. In early July, more than 10,000 demonstrators defied martial law and attended a rally led by opposition leader Aung San Suu Kyi demanding democratic change. Aung San Suu Kyi, the daughter of Burma's founding-father from the independence struggle, emerged as the leader of the National League for Democracy (NLD) which, under her leadership, became the leading opposition party in Burma. The SLORC responded to the growing unrest in the summer of 1989

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by placing Aung San Suu Kyi and other prominent NLD leaders under house arrest. Throughout August, security forces arrested thousands on political grounds.[37] Given these developments, the U.S. State Department concluded that the prospects for truly free and fair elections were unlikely. In addition, the government had taken steps to implement the election law in a way that appeared to favour its own National Union Party (NUP). The government's election law also stated that the elections in May would only be for a constituent assembly, with the military remaining in power until a new constitution was ratified.[38]

With elections being promised, the United States and several international bodies offered to send election monitors. These requests initially fell on deaf ears, and in January 1990, the SLORC announced that foreign observers would not be permitted to monitor the balloting. This rebuff came amidst a flurry of activities by the SLORC to secure an election victory. Aung San Suu Kyi was officially disqualified from running in the elections, on the grounds that she was married to a British subject. A few months before, the Burmese authorities had begun a programme of forced relocations from urban areas. The government claimed it was removing squatters, but the action appears to have been aimed at breaking up areas of anti-government sentiment to prepare for the upcoming elections. Western diplomats estimated that more than 500,000 people had been relocated by March to outlying regions, often with inadequate living conditions. As the elections drew near, security forces stepped up arrests of opposition campaigners. With the NLD leaders still under house arrest, the prospects for free and fair elections looked bleak.[39]

Despite all the precautions that the SLORC had taken, the 27 May elections resulted in a sharp repudiation of military rule and a landslide victory for the opposition, even with its leadership under arrest. The NLD won nearly 60 per cent of the valid votes and more than 80 per cent of the seats in the constituent assembly, while the government's NUP won only a handful. According to a State Department official, the popular reaction in Rangoon was generally euphoric. Citizens expected to see a caretaker government established within days. Opposition leaders found the courage to speak out openly against the government. The White House shared this enthusiasm and released a statement acknowledging the results and accepting them as a general expression of the true will of the Burmese people.[40]

The SLORC was in a state of shock at the returns and initially did not know how to react. It had believed that it had sufficiently cowed the population to assure an NUP victory, and apparently made little effort to influence the actual balloting on 27 May. General Khin Nyunt, head of the security apparatus and one of the SLORC's most visible members,

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dropped out of public sight for more than a week. This was interpreted by the U.S. State Department as symptomatic of a power struggle within the government over how to respond to the result. The public reappearance of General Khin Nyunt was the first indication that the hardliners would maintain control. The SLORC's eventual response was to crack down even harder than it previously had. Security forces arrested opposition members who had been elected. In keeping with the legalistic approach it had adopted towards the elections, the SLORC reiterated that the purpose of the elections was to elect a constituent assembly to draft a new constitution which would be subject to government control. The original election law had deliberately left ambiguous the issue of whether or not the assembly could eventually become a genuine parliament. The SLORC now announced that the constituent assembly could not constitute a new government and that fresh elections would be held for a national parliament subsequent to the military government's approval of a new constitution.[41] The result of this policy has been the open-ended delaying of the meeting of the constituent assembly and the possibility of a legalistic process which could easily be dragged out for years. In essence, the SLORC did not steal the election; it simply ignored it.

The political situation heated up again in the summer. On 8 August, security forces opened fire on a peaceful dawn march led by Buddhist monks in Mandalay to mark the second anniversary of the pro-democracy demonstrations. The government denied that any shootings took place, but diplomats claimed that two monks and two students were killed. The military responded to the unrest by arresting hundreds of people throughout the rest of August and early September. Included in this round-up was Kyi Maung, a moderate spokesman for the NLD who favoured military-civilian reconciliation and who had been quoted in *Asiaweek* as opposing any "Nurenberg trials". These actions had the effect of further radicalizing the opposition.

Buddhist monks continued their opposition to the military regime, and in October thousands stopped ministering to members of the military in protest against the crack-down. The military, characteristically, responded with even more severe measures; it declared that the monks were illegally engaging in politics, raided more than one hundred pagodas, arrested monks, defrocked some, and banned most of the country's Buddhist organizations.[42] The SLORC took similar steps to reduce other visible signs of dissent as well. In December, members of the NDL in exile on the Thai border formed a rival government and denounced Rangoon for not turning over power. The SLORC responded immediately by outlawing the NLD. As a result, prospects for the NLD are bleak at present. Of the 390 or so members elected in May, approximately 50 are under arrest, 50 are in

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exile, and it appears likely that the government will invalidate the election of another 50 or 60 on charges of illegal election financing. On 15 May 1991, with very little pomp or press coverage, the SLORC reopened the university system throughout Burma. According to a U.S. State Department official, this move signified that the government was confident that the strictures it had imposed on the students would be sufficient to control them.[43] Thus, all three sources of opposition to the regime — the monks, the major opposition political party, and the students — appear either crushed or sufficiently cowed such that they will present little threat to the government's power in the near future. Domestically, the regime has effectively consolidated political power.

Internationally, Burma did receive attention in 1990 and 1991. In November 1990, Sweden sponsored a resolution in the General Assembly demanding the immediate release of all political prisoners in Burma and expressing concern over the regime's refusal to hand over power to the NLD. The resolution won the backing of only twenty states, all of them European with the exception of Canada and Australia. It failed to gain support from any developing or Asian states, which were apparently wary of setting a precedent that might one day be applied to them. At the same time, Sadaka Ogata of Japan (who has recently become UNHCR) had been sent to Burma as a special envoy of the U.N. Human Rights Commission to investigate charges of human rights abuses. Ogata submitted a confidential report which prompted the Commission to vote unanimously in February 1991 to condemn the military government in Burma for rights violations. The Commission also agreed to send another inspector in 1991. The Burmese Government made no official response to the condemnation.

Summary of U.S. Policy for 1989–91

The initial response of the U.S. Government to the tumultuous events in Rangoon in 1988 was to immediately suspend all economic and anti-narcotics assistance. The State Department sent a series of notes to Burma's military rulers condemning their actions and seeking an improvement in Burma's human rights record. On 13 April 1989, President Bush notified Congress of his intention to suspend Burma indefinitely from the Generalized System of Preferences for failure to comply with internationally recognized standards of workers' rights. Congress first reacted to the suppression of the democracy movement in September 1989, a full year after the event. When it did take up the matter, it considered a Concurrent Resolution, "In Support of Basic Human Rights and Democracy in Burma", co-sponsored by Democratic Senator Daniel P. Moynihan and Republican Representative Dana Rohrabacher. The resolution called upon the Burmese

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authorities to abandon martial law, release all political prisoners, investigate and prosecute those responsible for torture, permit opposition parties to operate freely, and maintain its commitment to hold the May 1990 elections. The resolution called on the U.S. executive branch to further condemn repression in Burma and take appropriate steps to encourage the elections and provide observers. Finally, it called on all foreign governments to withhold assistance to Burma until a democratically elected government assumed office.[44] The resolution never passed out of the House Foreign Affairs Committee. Representative Stephen Solarz (D-NY) sponsored a similar resolution in early May 1990, "Concerning Human Rights, Democracy, and Illicit Narcotics Trafficking in Burma".[45] This bill suffered a similar fate.

Little action was immediately taken by the Bush Administration to ease the plight of the student refugees in the border regions. Eventually, the initiative came from Congress. In November 1989, Congress passed legislation sponsored by Senator Moynihan which appropriated US$250,000 in Fiscal Year 1990 "for food, medicine, medical supplies, medical training, clothing, and other humanitarian assistance for displaced Burmese students at camps on the border with Thailand". Of this, US$200,000 was provided to the International Rescue Committee, and the rest to the Burma-America Fund, both private relief organizations. The United States further provided US$50,000 to the UNHCR for the estimated 2,000 Burmese students who had escaped to Bangkok. The State Department also assisted these groups in Fiscal Year 1991.[46]

The issue of trade sanctions against Burma was taken up by the Congress in April 1990, again under Senator Moynihan's leadership. The Senator attached a provision to the 1990 mini-trade bill which called for the President to impose a boycott of Burmese exports after 1 October 1990, if he should fail to certify that certain steps towards democratic rule had been taken by then. The bill gave the President wide discretion on timing, but stipulated that if he refused to impose sanctions, he was required to report to Congress on his reasons and on alternative policies. In May, David Lambertson testified before the House Subcommittees that the administration was opposed to economic sanctions, stating that "we don't believe it's a particularly good idea because we do not believe it would be effective in helping to bring about improved human rights practices in Burma". He explained that annual U.S. trade with Burma amounted to only US$22 million in 1989, compared with estimates of more than US$200 million in its trade with China, which is believed to be Burma's largest trading partner.[47] Nevertheless, the amendment was adopted in June, gaining added significance coming on the heels of the SLORC's response to the May elections.

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The October deadline passed without any response from the Administration, which prompted eleven senators, including Moynihan, to write to President Bush asking him to apply the sanctions and to urge Burma's trading partners to do likewise.[48] The Administration subsequently certified that the conditions had not been met by Rangoon. Following the U.N. Human Rights Commission's condemnation of Burma in February 1991, Assistant Secretary of State Richard Solomon informed the House East Asia and Pacific Subcommittee: "We are currently considering what economic sanctions against Burma might be appropriate and will notify Congress promptly of the outcome of our assessment."[49] At the time of writing, this assessment was still continuing. The possible renewal of a bilateral textiles agreement which expired in December 1990 was also contingent upon this assessment.

Assessment of Current U.S. Policy and Prescriptions

In the immediate aftermath of the September crack-down, many of Burma's regional trading partners placed economic relations over human rights concerns. Even so, because of the cut-off of international aid, the Burmese authorities were sorely strapped for foreign currency. In January 1990, the Burmese Government sold more than 50 per cent of the property of its Tokyo embassy, which netted US$234 million. This amount was roughly equal to three times the country's foreign reserves, and was believed to have been needed to pay for weapons purchases for the military's stepped up actions against Karen insurgents. Rangoon also relaxed its long-standing policies of relative economic isolation and allowed foreign oil companies to explore its off-shore reserves. Amoco was the first American company to express a serious commercial interest in this proposition, and was joined by oil companies from Britain, Japan, Australia, South Korea, and Canada. In April 1990, Pepsico announced that it had signed an agreement with Rangoon authorities to operate in Burma and expected to be producing by the end of the year.[50] Prior to the summer of 1988, the Burmese junta was kept solvent primarily through foreign aid. Currently, it is dependent on foreign trade and investment. The United States may have a difficult time convincing Burma's trading partners to adopt a firmer stance with Burma, but to date Japan has not resumed any new development assistance. Offers of improved trade relations and development assistance from the United States may provide some incentive for Burma's other trading partners, but in general, the prospects for comprehensive, multilateral trade and investment sanctions are bleak. Burma's regional trading partners' relations with Burma are dictated by different priorities from those of the United States.

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On a different front, the United States could take steps to ameliorate the condition of the student refugees in the Burmese border regions and in Thailand. Some pressure could be applied to the Thai authorities and military to ease their policies of forced repatriation and classification of the students as illegal immigrants. One possible means of acquiring Thai co-operation on these matters would be for the United States and international organizations to subsidize the cost of aiding the students. This would likely entail an expanded role for the UNHCR, especially outside Bangkok. Domestically, the Bush Administration could facilitate admittance into the United States, under the humanitarian parole provision of immigration requirements, of Burmese students who face political persecution, as well as easing requirements for granting them refugee status. Only four Burmese students were approved for humanitarian parole by mid-1989. It was not until February 1990 that a student applicant in Thailand was granted refugee status. Since that time others have come under review and a few students are being admitted, but third country relocation in general, and United States in particular, could be significantly increased.

Another realm for revision of U.S. policy concerns the narcotics issue and the question of Burma's ethnic minorities. In the long run, any solution to these interconnected problems will be complicated and most likely partial at best. First, a political arrangement would have to be reached between the government in Rangoon and the local authorities which would probably take the form of greater autonomy for the minority regions and a return to a federal structure. Any hope of such an arrangement will likely depend on a democratic, civilian government being in power. Economic development will surely be needed as well to remove the material necessities undergirding much of the opium cultivation by peasants. However, policies such as these will encounter substantial obstacles from elements dependent on the opium trade. Khun Sa, for example, controls a personal, gangster-like army of approximately 10,000 troops in the Shan state to protect his interests in the lucrative trade. At the same time, the Burmese Government has given up effective eradication. In fact, it indirectly supports the trade by allowing former rebel groups to form militias, freeing them from government interference with their opium trade if they agree to cease fighting central authorities. This arrangement in turn frees government forces to fight against the Karen and Kachin rebellions. Annual opium production has nearly doubled since 1988. In the short run, since production is out of control, U.S. policies could be aimed at reducing the flow of narcotics out of Burma. Since direct assistance to or co-operation with the Burmese authorities is not feasible, efforts could be focused on cutting off the choke points at the Thai and Indian borders.

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On the thorny issue of sanctions, it is important to bear in mind the quantity of U.S. trade with Burma (US$11 million in 1988, US$22 million in 1989, US$40 million in 1990) relative to that with Burma's largest trading partners, China and Thailand (in the hundreds of millions). To be effective, sanctions would have to be multilateral, but this is an unlikely scenario, considering the policy priorities of Burma's leading trade partners. A unilateral imposition of sanctions by the United States would be ineffectual in bringing about significant change in the SLORC's human rights record. U.S. sanctions would only have a symbolic effect, though the regime has proven sensitive to U.S. criticism. In October 1990, Rangoon objected to the nomination of Frederick Vreeland as Ambassador to Burma because of statements he had made in his Senate confirmation hearings, consistent with U.S. policy, that were critical of Burma's human rights and narcotics record. To capitalize on the symbolic nature of U.S. sanctions, the timing of their imposition is critical. The most prudent policy to maximize their otherwise limited effectiveness would be for the Bush Administration to hold them in reserve and maintain the option to respond to the next major crisis in Burmese politics.

A final recommendation should be offered. Several states have continued to supply the Burmese military with arms. Efforts could be taken by the United States, as well as others, to attempt to enforce an arms embargo against Burma. This would be the single most effective means of putting pressure on a military regime perpetually engaged in counter-insurgency operations. However, as with the question of economic sanctions, the United States may find that it has relatively little influence to exert over the matter, though it may be able to condition some of its own arms sales and assistance to states which, in turn, supply Burma.

Many of the general recommendations outlined here require the co-operation of Burma's regional trading partners. A multilateral approach would be the most effective means of pressuring the SLORC to improve its human rights record, but such an approach is confined by the limits of the international consensus concerning human rights and how they should be protected and promoted. In one sense, this dilemma demonstrates the limits of unilateral U.S. foreign policy in the region, but the potential efficacy of multilateralism remains.

NOTES

1. In July 1989, the Burmese Government officially renamed the country Myanmar and the name of the capital, Rangoon, was changed to Yangon. Following the acceptance

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of this change by the United Nations, much of the U.S. media has adopted these changes. However, the U.S. Government's Interagency Bureau of Geographic Names maintains a policy that, while countries may certainly change their official names, they may not change the English language. Accordingly, the U.S. Government has retained the original names. For the sake of consistency, this convention will be followed here.

2. Tom Reich, Former State Department Desk Officer for Burma, 1989–90, interviewed by Andrew Deutz, 15 December 1990, Arlington, Va.
3. For a thorough account of the ethnic divisions in Burma and their political implications, see Josef Silverstein, *Burmese Politics: The Dilemma of National Unity* (New Brunswick, New Jersey: Rutgers University Press, 1980).
4. U.S. General Accounting Office, "Drug Control — Enforcement Efforts in Burma Are Not Effective", September 1989, pp. 2, 11; reprinted as Appendix 1 in Committee on Foreign Affairs, House of Representatives, *The Crackdown in Burma: Suppression of the Democracy Movement and Violations of Human Rights*, Hearing and Markup before the Subcommittees on Human Rights and International Organizations and on Asian and Pacific Affairs (13 September 1989), pp. 83–115. (The General Accounting Office report is hereafter cited as GAO, and the congressional testimony as *The Crackdown in Burma*.)
5. Testimony of Holly Burkhalter, Asia Watch, in *The Crackdown in Burma*, p. 63.
6. United States Department of State, *Country Reports on Human Rights Practices for 1988* (Washington: U.S. Government Printing Office, February, 1989), pp. 743–47.
7. Much of the journalistic literature around the time of Ne Win's resignation was fond of attributing this situation solely to his economic mismanagement. It should be noted, however, that the Japanese occupied the country during World War II, during which time it suffered a series of scorched-earth campaigns, which had particularly severe consequences for the agricultural sector. It is true, however, that Burma's economic recovery could have been much faster, especially if Ne Win had accepted international development assistance in the 1960s. He refused any assistance in an attempt to maintain strict neutrality in the context of the cold war. See David I. Steinberg, *Burma's Road Toward Development: Growth and Ideology Under Military Rule* (Boulder, Colorado: Westview Press, 1981).
8. U.S. Department of State, *Country Reports on Human Rights Practices for 1988*, p. 748.
9. Amnesty International, *Burma: Extrajudicial Executions and Torture of Members of Ethnic Minorities* (London: Amnesty International Publishers, May 1988), p. 3.
10. Ibid., pp. 33, 3.
11. U.S. Department of State, *Country Reports on Human Rights Practices for 1988*, p. 749.
12. GAO, in *The Crackdown in Burma*, pp. 86, 95.
13. U.S. State Department formal response to the GAO report, in *The Crackdown in Burma*, p. 110.
14. The chronology and interpretation that follow are based on the compiled report that appeared in the *New York Times*, *Washington Post*, and *Wall Street Journal*. In general, the *New York Times* provided the most comprehensive and detailed coverage.
15. U.S. Department of State, *Country Reports on Human Rights Practices for 1988*, p. 742.
16. Curiously, the authorities also released 4,800 mostly non-political prisoners from Insein prison after a mass escape left 60 dead. State Department officials were justifiably unable to comprehend the motive behind this action. In retrospect, two interpretations have been offered: either the government was making room for protestors it planned to arrest, or, even more cynically, it hoped this would lead to further chaos thus providing justification for a military crack-down.

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17. U.S. Department of State, *Country Reports on Human Rights Practices for 1988*, p. 742.
18. David Steinberg, "Japanese Economic Assistance to Burma: Aid in the 'Tarenagashi' Manner?", *Crossroads* 5, no. 2 (1990): 69–72.
19. Asia Watch report, in *The Crackdown in Burma*, p. 70.
20. *New York Times*, 11 March 1989, p. I:5; and *The Crackdown in Burma*, p. 26.
21. Lambertson testimony, in *The Crackdown in Burma*, p. 43.
22. See, for example, David F. Lambertson, "Burma: Political Situation and Human Rights", United States Department of State, Bureau of Public Affairs, Current Policy No. 1153, 2 March 1989.
23. U.S. Committee for Refugees, "'We Asked for Democracy and Got Only Bullets': Students and Minorities on the Thai-Burma Border", 31 August 1989; reprinted as Appendix 2 in *The Crackdown in Burma*, pp. 116–25. On the January press conference, see *New York Times*, 22 January 1989, p. I:14.
24. U.S. Committee for Refugees, in *The Crackdown in Burma*, p. 121.
25. *The Crackdown in Burma*, pp. 26–27.
26. *The Crackdown in Burma*, p. 45. On the United States providing rice to Burma, see Lambertson's testimony in *The Crackdown in Burma*, p. 47.
27. U.S. Committee for Refugees, in *The Crackdown in Burma*, p. 121.
28. *New York Times*, 30 June 1989, p. A28.
29. *The Crackdown in Burma*, pp. 44, 27.
30. *Washington Post*, 3 August 1989, p. A24, and 11 August 1989, p. A18.
31. U.S. Committee for Refugees, in *The Crackdown in Burma*, p. 124.
32. United States Department of State, *Country Reports on Human Rights Practices for 1989* (Washington: U.S. Government Printing Office, February 1990), pp. 780–81.
33. For a thorough description of these proceedings and of violations of international human rights law by these tribunals, see Lawyers Committee for Human Rights, *Summary Injustice: Military Tribunals in Burma (Myanmar)* (New York, 1991).
34. U.S. Department of State, *Country Reports on Human Rights Practices for 1989*, pp. 784, 788–89.
35. The Department's estimate appeared in a *New York Times* article reporting on charges of human rights abuses made by Western diplomats, 17 January 1989, p. I:14.
36. United States Department of State, *Country Reports on Human Rights Practices for 1990* (Washington: U.S. Government Printing Office, February 1991), pp. 822–23.
37. *New York Times*, 6 July 1989, I:3; 21 July 1989, p. I:13; 26 August 1989, p. I:1.
38. Department of State, Current Policy No. 1227, Paula Dobrianski, 19 September 1989.
39. *New York Times*, 18 January 1990, A3; 27 January 1990, p. A5; 21 March 1990, p. A1; and 10 May 1990, p. A6.
40. Interview with Tom Reich, 15 December 1990.
41. Ibid.
42. *New York Times*, 19 October 1990, p. A10; 26 October 1990, p. A5; and *Washington Post*, 21 October 1990, p. A26; and 23 October 1990, p. A26.
43. Interview with Eric Sandberg, State Department Desk Officer for Burma, 20 May 1991.
44. The House version of the resolution is in CFA, pp. 76–81.
45. Reprinted in Committee on Foreign Affairs, House of Representatives, *Prospects for Democratization in Burma, Mongolia, and Nepal*, Hearing and Markup before the Subcommittees on Human Rights and International Organizations and on Asian and Pacific Affairs (Washington: U.S. Government Printing Office, 8 May 1990), pp. 64–71.
46. Testimony of Princeton N. Lyman, Director of the State Department's Bureau for Refugee Programs, in ibid., pp. 13, 20–21.
47. Estimates of Burma's trade, and therefore a ranking of its trading partners, is imprecise

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at best, because of the quantity of unregulated trade that occurs across the Thai and Chinese borders. Lambertson's testimony is in Committe on Foreign Affairs, House of Representatives, *Prospects for Democratization in Burma, Mongolia, and Nepal*, Hearing and Markup before the Subcommittees on Human Rights and International Organizations and on Asian and Pacific Affairs (Washington: U.S. Government Printing Office, 8 May 1990), pp. 40–41.

48. *New York Times*, 12 October 1990, p. A34.
49. Quoted in *New York Times*, 7 March 1991, p. A14.
50. On the sale of the embassy and the Pepsi deal, see *Wall Street Journal*, 29 January 1990, p. A10 and 19 April 1990, p. A10. On foreign oil companies in Burma, see John Ralston Saul, "Drugs, Torture — And Western Cash", *New York Times*, 18 April 1990, p. A25 (Op-Ed).

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Politics in the South Pacific Region

KAI M. SCHELLHORN

In the mid-1980s, international politics in the South Pacific region was shaped by the Soviet Union's desire to gain political influence. Concerted action led by the United States and backed by Australia, New Zealand, France, Japan and Germany hampered Moscow's strategic interests in the region. Today, the region suffers more from domestic violence and political and economic problems than from the interference of extra-regional powers. The coup d'etat in Fiji in 1987; political turbulence in Vanuatu in 1988 and in Papua New Guinea since then; militant action in New Caledonia and political confrontations in Tonga and the Solomon Islands, all characterize the present political situation. The political future of the South Pacific region will increasingly be influenced by the gradual rise in domestic instability and less so by foreign interference in the tiny island states.

The huge oceanic region encompassed by the Northern Mariana Islands in the north, the tiny island of Pitcairn in the east, Australia and New Zealand in the south and Papua New Guinea in the west consists of more than three thousand islands. They form the three cultural regions of Micronesia, Melanesia, and Polynesia. In the nineteenth century, most of these archipelagos were under the rule of the colonial powers of Great Britain, France, Germany and the USA. Only during the early 1960s did the decolonization process begin in the South Pacific.

The most important island states of the region are Tahiti (French Polynesia), the Cook Islands, Western Samoa, American Samoa, Tonga, Fiji, Kiribati, Tuvalu, New Caledonia, Vanuatu, the Solomon Islands, and

South Pacific Region, with 200-mile zones.

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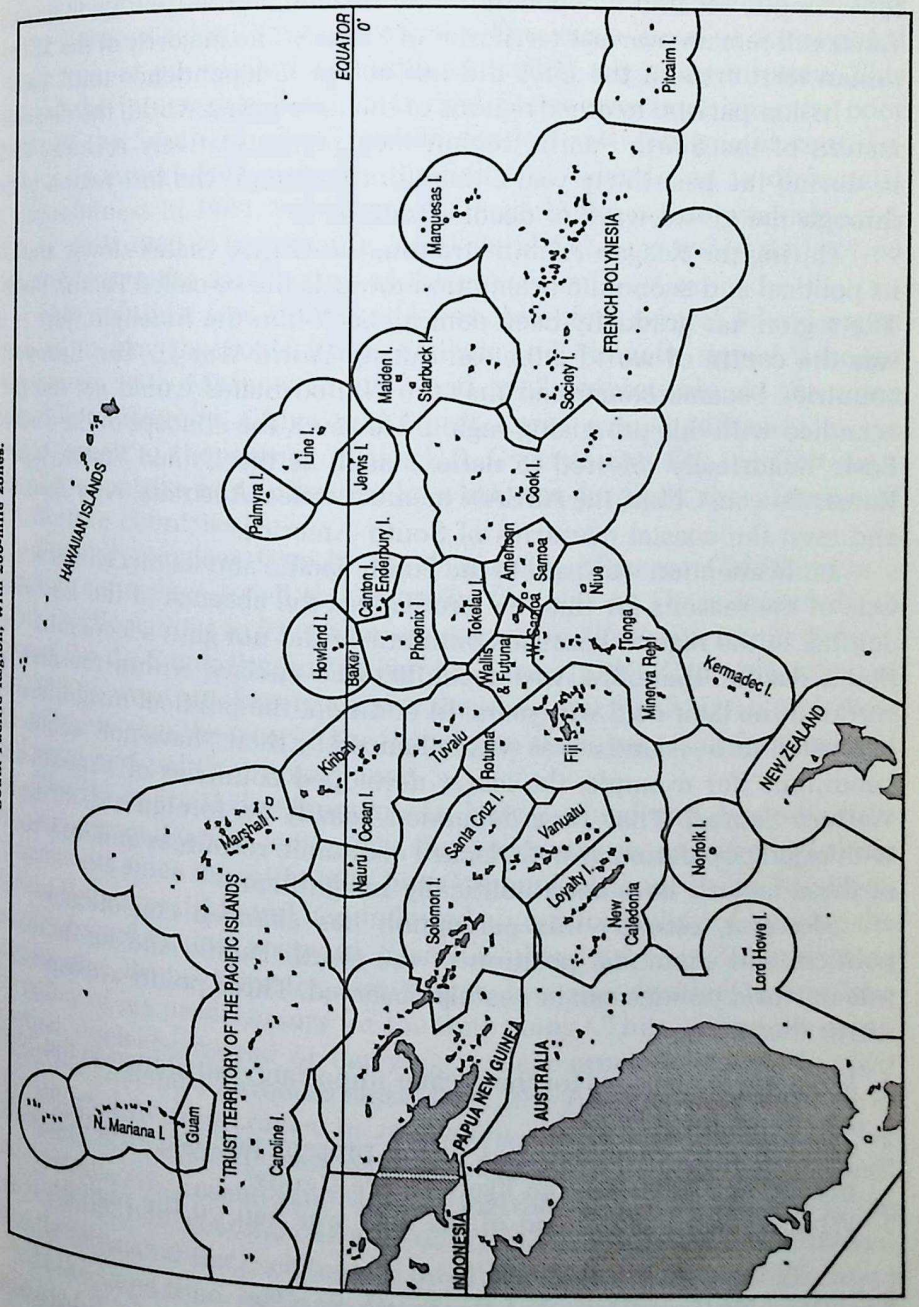

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Papua New Guinea. The decolonization of this region, often described as an "aquatic continent", lagged behind that of Africa and Asia. Vanuatu, for example, became independent only in 1980, and New Caledonia and Tahiti still remain overseas territories of France. The majority of the Micronesian territories of the USA did not obtain independence until 1986.

In comparison to other regions of the developing world, the decolonization of the South Pacific region took place relatively recently, that is, during the past thirty years, therefore making it the last region to go through the global wave of decolonization.

During the Reagan Administration, the United States slowly shifted its political and economic orientation towards the so-called Pacific Basin. The region has gradually been coming back into the limelight, just as it was the centre of world attention during World War II. The European countries became concerned that the United States would get too preoccupied with this promising region. However, the concept of the Pacific Basin historically referred to nations such as the United States, Japan, Korea, Taiwan, China, the ASEAN member states, Australia, New Zealand, and even the coastal countries of South America.

Little attention was paid to the South Pacific and its tiny island states. One of the reasons for this low profile was the absence of the East-West conflict in the region, because communism did not gain acceptance. The South Pacific, therefore, was a conflict-free enclave within the divided world of the later cold war years. In addition, the political insignificance of most of these island states was enhanced by their "have-not" economic conditions (for example, the lesser developed countries of Vanuatu and Western Samoa). They have depended heavily on foreign aid, struggled with rapid population growth, lacked economic resources and, as a result of these factors, have been politically insignificant.

However, recently this perception has changed considerably. The political and economic position of the South Pacific and its increased role in world politics can be readily observed. Three points are especially worth discussing:

1. What are the reasons for the greater importance attributed to the South Pacific in the 1980s?
2. What are the characteristics of the present political situation in the region, and what are the likely future trends?
3. What impact has the end of the cold war had on the region?

The Growing Importance of the South Pacific

Since the beginning of the 1980s the East-West conflict has increasingly influenced politics in the region. Three developments in particular are

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to be noted. Firstly, the reluctance of the United States to recognize the new maritime law resulted in a loss of its political influence in the region. American tuna trawlers continued to harvest the rich fishing grounds in the 200-nautical-mile zone (Exclusive Economic Zone) of the regional states without permission and without paying any compensation. This created the impression that the United States was exploiting the poor states of the South Pacific. The interception and subsequent confiscation of an American trawler by the Solomon Islands led to diplomatic unpleasantness in 1984. Washington's image in the region was damaged. It took until 1988 to agree on a multilateral fisheries treaty that solved the problem to the satisfaction of the concerned parties.

This solution was only made possible after several island states decided to play the Soviet card. Kiribati and Vanuatu signed fisheries agreements with Moscow in 1985 and 1987 respectively. At the same time Libya, Vietnam, China and North Korea gained influence in the region, much to the dismay of the U.S. Government. For the first time, socialist countries had influence in what was formerly the preserve of the Western countries.

Secondly, nuclear tests by the French in Mururoa (Tahiti) were a constant annoyance to all the states in the region. These tests led the South Pacific nations to form a loose association, the South Pacific Forum, to proclaim the South Pacific Nuclear Free Zone (SPNFZ) in 1985. Moscow and Beijing were quick to recognize the zone, but Washington and Paris still refuse to sign the treaty.[1] For the region, this treaty is of fundamental ecological and political importance.

Thirdly, political developments in New Zealand and Australia have been significant. Until recently, New Zealand had been governed by Labour governments since the mid-1980s. New Zealand's Labour Prime Ministers (Lange, Palmer and Moore) had followed an explicit policy of keeping the country free of nuclear weapons. Since October 1990 New Zealand's new conservative Prime Minister, Jim Bolger, has also decided to continue the policy of his predecessors for the time being.[2] Thus, American ships, whether nuclear-powered or carrying nuclear arms, have been banned from New Zealand's harbours since 1984. The ANZUS Treaty, signed in 1951, showed its first cracks. In retaliation, the United States cancelled its military co-operation treaty with New Zealand. Only the United States and Australia are presently still working together, and global security in the South Pacific has worsened as a result. (The United States has, however, recently reinstated the exchange of intelligence data with New Zealand.)

At the same time, leftist trade unions in Australia and New Zealand supported the founding of Labour parties in the island states. The region was on its way to establishing a new political profile. In 1987, the coup

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d'etat in Fiji — the first in any of the island states — brought to a climax the resistance of the indigenous people to the recently elected democratic government, which was supported mainly by the Labour Party and the descendants of the Indian immigrants.[3]

These three developments, enhanced further by geostrategic factors, have been responsible for the growing importance of the region since the mid-1980s.[4]

The Present Political Situation in the South Pacific

The present situation has inevitably been influenced by the dynamic developments already described. Firstly, the Soviet Union continues to make efforts to get a foothold in the South Pacific. A second fisheries agreement with Vanuatu is being negotiated. In March 1990, the Soviet Union achieved one of its long-term goals and opened a regional embassy in Papua New Guinea (PNG). In June the same year a bilateral fisheries agreement with PNG was also signed.[5] Washington's recent announcement that it will reduce its armed forces in Asia by 10 per cent seems to indicate that the policy of "strategic denial" is losing its importance in the South Pacific as well.

Secondly, the exploitation of their natural resources has become a pivotal question for all these countries, and has increasingly been discussed as a common point of interest in the South Pacific Forum (SPF). Presently, Japan and Taiwan are under "political fire" for their driftnet fishing. The states associated with the South Pacific Forum are requesting fisheries treaties from Japan, South Korea and Taiwan similar to the one agreed to by the United States. Japan has announced the end of driftnet fishing for the 1990/91 season, while South Korea has already stopped that practice.

Thirdly, despite increasing protests, France continues with its nuclear tests at Mururoa. To counter its poor image, Paris started a diplomatic offensive which included plans for the dubious granting of independence to New Caledonia (Matignon Accord).

Fourthly, Australia and New Zealand have both modified their foreign policy in the region since they lost considerable ground as a result of their tough stand towards the coup d'etat in Fiji. Reacting to pressure from Washington, they, as well as Japan, have increased political, economic and security co-operation with the island states (except Fiji). Thus, at present the South Pacific seems less challenged by external threats than by internal destabilization. This will be seen through a closer look at the following countries: Fiji, Vanuatu, Papua New Guinea, New Caledonia and Tonga.

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Fiji

The informal political spokesman for the archipelagic states, Fiji recently experienced considerable political turmoil. The indigenous Fijians are no longer satisfied with the legacy of their 1970 constitution because, seventeen years after independence, power went to an elected Labour government dominated by Indians. The indigenous people rebelled against their ethnic Indian countrymen, who at that time represented more than 48 per cent (indigenous Fijians constituted 46 per cent) of the population. The *coup d'etat* was the climax of this rebellion. The newly-elected coalition government (formed by the Labour Party and the New Federation Party) was overthrown in May 1987. Since then, Fiji has been governed by an interim government that has appropriated unlimited and uncontrolled powers in the absence of a constitution and a parliament.

The new constitution proposed in July 1990 is very controversial as it ensures that the indigenous Fijians will have a numerical majority over the Indian population in parliament.[6] Elections announced for the end of 1991 have been postponed to 1992 or later.[7] Fiji is at a difficult crossroad in its history. On the one hand it is trying to revitalize its culture, traditions and chiefly order, but on the other, it wants to accelerate its modernization and economic development.[8] With their deep belief in Christianity, the indigenous people are struggling for an identity and against domination and the associated feeling of inferiority. The method chosen to exclude the strong ethnic Indian community has been considered undemocratic by some, compared with Western standards.[9] According to the indigenous élite, however, this method is the only way to safeguard the existence of the Fijians. Fiji's present instability can be seen as a typical result of its decolonization experience. The outcome of this internal political crisis cannot yet be determined.

Vanuatu

A tiny island state, Vanuatu was governed jointly by Great Britain and France until 1980. It is presently struggling to determine its future political structure.[10] The years 1988 and 1989 were characterized by a severe political and constitutional crisis when the President substituted a legally elected government with an illegitimate one and then was sent to prison for this.[11] Vanuatu's contacts with the Soviet Union, Libya, Cuba, Vietnam, Nicaragua and North Korea have caused concern in the West. The internal crisis seems to have been solved for the moment, but future developments are very uncertain.[12] The elections in November 1991 will certainly cause new political unrest.[13]

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Papua New Guinea

Papua New Guinea, with 3.6 million inhabitants, is faced with a serious crisis.[14] In mid-1989, the biggest copper mine in the country, on the island of Bougainville, had to be closed as a result of demands for considerable compensation by local landowners. They were led by militants such as Francis Ona and Sam Kauna. As their demands could not be fulfilled, the militants, with some local support, started a civil war against the central government.[15] Since 1990, when government forces retreated, the province of North Solomons has been controlled by the Bougainville Revolutionary Army (BRA).[16] The closure of the copper mine alone has meant a loss of 17 per cent in national revenues and 40 per cent in export earnings.

The operation of the Ok Tedi and Porgera mines (copper and gold) was temporarily endangered as well, as the troubles of Bougainville spread over to the mainland. The central government has been unable to stop the country's factionalization and a peaceful solution is unlikely. The so-called "Endeavour Accord" of 5 August 1990 envisaged an end to the economic blockade imposed on Bougainville as well as renewed peace talks, but it could not be implemented because the rebels did not agree to the presence of the security forces that were to accompany the aid shipments.[17]

Resource-rich PNG seems well on the way to poverty and to becoming totally dependent on World Bank and Asian Development Bank support. However, internal destabilization and the associated escalation of force cannot be stopped by financial support and an austerity policy. The groundwork for revolutionary change has already been laid.[18]

New Caledonia

New Caledonia is still a French Overseas Territory, but according to the Matignon Accord (Paris 1988) it should be prepared for independence by 1998. However, the French settlers there are in the majority and they are not willing to leave political power and dominance to the indigenous Kanaks. After the murder of the moderate Kanak leader Tjibaou in 1989, there has been little hope of a peaceful solution.[19] Neither in Algeria nor in Vietnam did France undertake the decolonization process without considerable loss of lives. The future, therefore, looks dim for New Caledonia.[20] French diplomatic efforts in the region, which include military aid, are not only aimed at creating a better image, but also at preparing the groundwork for "eventualities" in New Caledonia.[21]

Tonga

The Kingdom of Tonga has been ruled for nearly one thousand years by a monarchy. The elderly king (71 years old) will resign in the near future

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and elections held in February 1990 saw a landslide victory by left-oriented candidates (six out of nine).[22] Only nine out of thirty parliamentarians are elected by the people. Tonga is in the midst of a revolutionary transformation to the status of a republic. The present appointed government created a scandal by selling passports to Hong Kong Chinese. Akilisi Pohiva, one of the six left-oriented parliamentarians, contributed to growing political unrest by revealing such scandals. The resulting instabilities, which nearly led to a *coup d'etat* in Tonga in April 1990, will not be discussed here in detail.[23] Suffice it to say that in Tonga a political transformation is also inevitable, although the outcome is difficult to predict.

These examples of internal political destabilization could be easily augmented by others, such as in the Solomon Islands or in Western Samoa.[24] It becomes clear that these destabilization trends could transform the South Pacific into a crisis region in the not-too-distant future.

Impact of the Revolutionary Transformations in Europe on the South Pacific

Finally, the consequences for the South Pacific of the revolutionary transformations in Europe, as well as the declared end of the cold war, will be discussed below.

The economic and political interest that the Soviet Union has taken in the South Pacific since the early 1980s has forced Washington to exert pressure on many of its allies, including Australia, New Zealand, Japan and Germany, to increase their presence in the region. In response, Japan announced the "Kuranari Doctrine" for the development of the South Pacific.[25] Japan is presently the third largest donor to the region.[26] In co-operation with Australia, the Federal Republic of Germany increased its aid to the South Pacific. Apart from a few exceptions (Western Samoa, Tonga and PNG), Bonn refrains from bilateral economic co-operation and instead channels its aid via EC funds and non-governmental organizations (NGOs).[27] Germany's interest in the region lies, on the one hand, in participating in multilateral efforts to develop and stabilize the region and, on the other, in safeguarding its access to maritime (mineral) resources.[28]

End of the Cold War

So far the South Pacific nations, as well as Australia and New Zealand, have merely taken note of the transformations in Europe rather than reacting to them. The geographical distance strengthens the perception that the impact of the end of the cold war is limited to Europe alone. One has the impression that Australia and New Zealand still cannot detach

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themselves from the old perceptions of the cold war era. New Zealand, for instance, turned away the Soviet research vessel *Akademik Oparin* in June 1989 for "security reasons". Anchoring has been allowed only at Wellington harbour. Australia has tried to preserve the dominant role it has played since World War II as a proxy for the United States.[29] However, it is without question that Canberra's claim for political dominance is not favoured by its smaller neighbours, especially Fiji, which has expressed its disapproval.[30]

For the island states, the end of the cold war also means the end to their ability to play the "Soviet card".[31] In the future the distribution of development aid will be more oriented to the needs of the respective countries than to their "flexible" ideological commitment. In contrast to Europe, there has so far been no bilateral disarmament treaty between the United States and the USSR in the Pacific. The partial withdrawal of the Soviets from the Cam Ranh naval base in Vietnam and the 10 per cent reduction in U.S. troop strength in Asia are unilateral steps.[32] In other words, negotiations comparable to those in Vienna are still missing.[33] In addition, Vietnam, the People's Republic of China (PRC), and North Korea continue to be ruled by dogmatic communist regimes.

These facts, although mentioned only briefly, have a great influence on the foreign policy and strategic position of the island states and, as a result, the continuing presence of the cold war attitude within the region.

Regional Dynamics

The internal instabilities described above are the basis for the inherent dynamics of the South Pacific. For the time being, these dynamics block any impact that the changes in Europe could have on the region. This became clear by the reactions to the tough stand taken by Australia and New Zealand against the region's first *coup d'etat* in Fiji, in 1987. Both nations lost considerable influence as a consequence. Fiji was and still is the spokesman for the archipelagic states.[34] The temporary condemnation by Australia and New Zealand caused Fiji to look for new "friends", a policy which has been followed by other neighbouring states. France, Japan, several ASEAN states, and increasingly the PRC have been viewed as alternative friends.[35]

The growing influence of France (in Fiji, the Cook Islands and Tonga) and the PRC (in Fiji, Papua New Guinea and Western Samoa) has been achieved at the expense of Australia and New Zealand.[36] New Zealand's new conservative government, with its economic problems and isolation after its exclusion from ANZUS, will focus its attention primarily on domestic problems.[37] Australia has tried to recover its lost diplomatic

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ground, but it has not been successful in either PNG or Fiji. In PNG it failed to mediate between the various factions in the Bougainville crisis.[38] On the other hand, Fiji, in retaliation, has repeatedly cancelled visits by Australian Foreign Minister, Gareth Evans.[39]

The regional dynamics, including internal destabilizations, make the South Pacific vulnerable to disturbances in the future. In other words, the end of the cold war and the relaxation of East-West tensions in Europe have so far not affected developments in the South Pacific. However, some indirect impact can be observed, especially in the increasing influence of the People's Republic of China. Chinese motives in the region are not easily discerned. Does China simply want to improve its relations with the tiny island states to uphold its claim to Third World status? Does it want to collect United Nations votes, or break out of its international isolation after the Tiananmen incident, or restrict Taiwan's influence? Or is it possible that it even wants to continue the ideological battle despite *détente* between the Soviets and the Americans?

At the moment it is not possible to answer these questions. However, in the near future the process whereby internal destabilization and regional dynamics influence the political transformation of the South Pacific may become clearer.

NOTES

1. The destruction of chemical weapons by the United States on Johnston Atoll since mid-1989 again created strong disapproval by the South Pacific nations. See the report on the annual meeting of the South Pacific Forum, published in *Pacific Islands Monthly*, September 1990, pp. 10–15; and *Islands Business*, September 1990, pp. 22–24
2. In May 1990, the then opposition leader Jim Bolger (New Zealand National Party) unexpectedly abandoned his veto against the New Zealand Nuclear Free Zone Disarmament and Arms Control Act. That meant that even the Conservatives turned against the visits by nuclear-powered and/or nuclear-armed ships. See *Pacific Defense Reporter*, June 1990, p. 38.
3. See the contributions in *KAS-Auslandsinformationen*, November 1987 and May 1988.
4. For more details, see K.M. Schellhorn, *Politische Entwicklungen im Suedpazifik. Ein regionaler Ueberblick* (St. Augustin: Konrad Adenauer-Stiftung, Internationales Institut, December 1988).
5. This treaty, signed on 6 June 1990, is expected to yield A$9.5 million to A$11 million during the next three years. See *Fiji Times*, 7 June 1990.
6. Fiji's new constitution stipulates a fixed system of distribution of the 70 parliamentary seats along ethnic lines: 37 for indigenous Fijians, 27 for Indians, 1 for Rotumans and 5 for members of other races. See *Fiji Times*, 25 July 1990. See also the full text published in *Fiji's Republic Gazette*, 25 July 1990.
7. *Islands Business*, August 1990, pp.16–25; and *Pacific Islands Monthly*, August 1990, pp. 10–14.

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8. The constitutional inclusion of the "Great Council of Chiefs" is exemplary for several neighbouring states such as Vanuatu.
9. See the eloquent critiques by Miles Johnson, ex-president of the Fiji Law Society, in *Islands Business*, August 1990, p. 23.
10. See the report on the tenth anniversary of Vanuatu's independence in *Islands Business*, July 1990, pp. 18–30.
11. K.M. Schellhorn, "*Die Staatskrise in Vanuatu*", *ASIEN*, No. 33 (October 1988), pp. 24–37.
12. Karen Mangnall, "A new direction: Vanuatu changes course a decade later", *Pacific Islands Monthly*, September 1990, pp. 18–21; and Robert Keith-Reid, "Vanuatu's good time is dawning", *Islands Business*, May 1990, pp. 12–18.
13. Helen Fraser, "Whither Vanuatu?", *Pacific Defense Reporter*, June 1990, pp. 17–23. Concerning the (planned) controversial change of the constitution, see Prime Minister Walter Lini's interview in *Islands Business*, May 1990, pp. 51–52.
14. Roman Callick, "The Agony of Bougainville", *Islands Business*, February 1990, pp. 12–18.
15. Helen Fraser, "PNG's Bougainville Agony", *Pacific Defense Reporter*, March 1990, p. 12.
16. Rowan Callick, "Bougainville Revolutionary Army takes charge", *Islands Business*, April 1990, pp. 20–27; and Rowan Callick, "The War Port Moresby lost", *Islands Business*, March 1990, pp. 18–22.
17. Clashes between the BRA and government forces in September 1990 resulted in several casualties. See *Fiji Times*, 22 and 24 September 1990.
18. *Islands Business*, September 1990, pp. 54–58; and October 1990, pp. 22–31.
19. Helen Fraser, "After Tjibaou and Yeiweine", *Islands Business*, February 1990, pp. 28–29.
20. Prof. Jean Guiart, "Why you can't bank on Matignon accords to bring peace in New Caledonia", *Islands Business*, February 1990, pp. 12–14.
21. In preparation for "eventualities", the French army command in Noumea recently changed its strategy and conducted manoeuvres in the northern (Kanak) part of the island. Ian Mott "Military Exercise reflects change in strategic thinking", *Pacific Defense Reporter*, May 1990, pp. 16–17.
22. Davendra Sharma, "The People Call", *Islands Business*, March 1990, pp. 12–14.
23. *Islands Business*, May 1990, pp. 63–65; and *Pacific Islands Monthly*, May 1990, p. 15.
24. For the recent domestic crisis in the Solomon Islands, see *Islands Business*, November 1990, pp. 18–23. After the successful referendum for universal suffrage in Western Samoa, which represents a great step towards democratization, unrest can be expected during and after the forthcoming elections in 1991.
25. Address by H.E.Tadashi Kuranari, Minister for Foreign Affairs of Japan, "Working towards the Pacific Future Community", Suva, Fiji, 14 January 1987.
26. *Pacific Islands Monthly*, July 1990, pp. 44–45.
27. At the moment total German aid to the South Pacific amounts to approximately DM15 million annually.
28. The twenty-first century will be characterized by dwindling fossil energy resources. The South Pacific, however, is one of the richest areas in resources and German maritime technology to exploit these resources is a world leader.
29. New Zealand's role in the South Pacific is currently being debated. See Air Marshall Sir Eriwan Jamieson, *Friend or Ally? New Zealand at Odds with its Past* (London: Pergamon Press, 1990). Australia attempted to intensify its strategic influence with the "Australian Pacific Patrol Boat Program". See Dora Alves, "Patrol-boats foster regional stability", *Pacific Defense Reporter*, June 1990, pp. 18–19. Australia played a leading role in the last annual meeting of the South Pacific Forum. See *Islands Business*, September 1990, pp. 22–24; and *Pacific Islands Monthly*, September 1990, pp. 10–15.

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Furthermore, Canberra supports the extension of U.S. electronic reconnaissance installations in Nurrungar and Pinegap (Australia) on the grounds that otherwise the Soviet disarmament could not be supervised properly. See Michael Richardson, "U.S. bases more important as global threat recedes", *Pacific Defense Reporter*, February 1990, pp. 12–14.

30. The island states have long requested a stronger involvement by the Americans to diminish Australia's role as the dominant regional power south of the equator. See Daniel North, "U.S. told: pay islands more attention", *Pacific Islands Monthly*, July 1990, pp. 44–45.
31. According to Victor Vresky, Head of the South Pacific Studies Department at the Soviet Academy of Sciences in Moscow, the Soviet interest in the region is still exclusively aimed at economic co-operation. See Griff Johnson, "Soviet talks on 'trade' for Micronesia yes", *Islands Business*, November 1990, p. 52.
32. See Denis Warner, "Phased Reduction in Asia", *Asia-Pacific Defense Reporter* (former *PDR*), August 1990, p. 14. The United States has the intention of reducing its presence in Asia by 14,000–15,000 soldiers within three years. For the Soviet withdrawal from Vietnam, see M. Richardson, "Major changes in power balance as Soviets withdraw from Cam Ranh", *Pacific Defense Reporter*, March 1990, pp. 13–14.
33. Ronald F.Lehmann, Director, U.S. Arms Control and Disarmament Agency, still considers the Soviet Pacific fleet a threat. See the interview with M. Richardson in *Pacific Defense Reporter*, June 1990, p. 43.
34. At the summit between U.S. President Bush and the South Pacific island leaders at the end of October 1990 in Hawaii, Fiji Interim Prime Minister Mara was unanimously elected spokesman for the island states. See *Fiji Times*, 29 October 1990.
35. For the position of France, see Helen Fraser, "France winning friends and influencing people", in *Asia-Pacific Defense Reporter*, July 1990, p. 14.
36. The Western Samoan Prime Minister Tofilau Eti Alesana was the first Western head of state to visit China after the Tiananmen incident. See *Savali* (Western Samoa), 6 November 1989.
37. The new conservative government announced plans to reformulate New Zealand's South Pacific policy in 1991. See *Fiji Times*, 24 December 1990.
38. See Herschel Hurst, "PNG must go it alone in Bougainville", in *Pacific Defense Reporter*, March 1990, pp. 34–35.
39. In October 1990 Fiji's Prime Minister Mara barred a visit by Evans on the grounds that the latter had criticized Fiji's new constitution when attending the General Assembly of the United Nations. *Fiji Times*, 30 October 1990.

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The Problem of Perception and Sino-British Relations over Hong Kong

LO SHIU-HING

Sino-British relations over Hong Kong's future beyond 1997 have not been easy ever since the matter became a subject of negotiations between the two countries. Despite the Joint Declaration of 1984 and some easing of tensions during 1984–88, mutual distrust did not diminish. Britain's desire that Hong Kong should enjoy a degree of political and administrative autonomy after 1997 became a sore point with China. Chinese officials continue to see "sinister" motives in British policy, while Britain's image of China as a relatively strict observer of international agreements has been tarnished, especially after the Tiananmen incident in June 1989. The recent agreement over the airport project has not changed mutual perceptions of distrust. Sino-British relations will remain tense. Britain's desire to achieve a degree of autonomy for Hong Kong will come up against China's intention to limit the scope of any such autonomy.

One of the fundamental questions in international relations is perception.[1] It is often impossible to explain foreign policy decisions without analysing the decision-makers' images of others.[2] None the less, their images may be inaccurate. Using the concept of perception, this article attempts to analyse the patterns of Sino-British relations with respect to the issue of Hong Kong. After the military crack-down on student protestors in the People's Republic of China (PRC) on 4 June 1989, the British perception of China changed. However, as this article will show, the result was that China's misperception of British policy towards Hong Kong was reinforced.

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It is important to note that although the colonial administration of Hong Kong is often free from the influence of Britain in the formulation of its internal policies, policy decisions concerning Hong Kong's political relations with China are made by the British Foreign Office in consultation with the Hong Kong government. As Hong Kong Governor, Sir David Wilson, has stated:

> For many, many years, at least since the Second World War, the Government in London very, very rarely sends instructions to the Governor of Hong Kong. On matters of foreign policy, yes of course the decision is finally taken in London, although with an immense amount of discussion with Hong Kong. But on economy, on foreign trade, we are totally autonomous.[3]

The fact of the matter is that the Hong Kong government enjoyed considerable autonomy *vis-à-vis* Britain and the PRC before the Sino-British negotiations on Hong Kong's future began in September 1982.

The Pre-1982 Period

From the end of World War II to the inception of Sino-British negotiations in 1982, the British image of China's policy towards Hong Kong remained unchanged. Britain believed that as long as Hong Kong was politically stable and economically prosperous, the PRC would tolerate the existence of the capitalist colony. With the exception of China's Cultural Revolution, in 1966–67, which prompted the British authorities to suppress Hong Kong Maoists,[4] Sino-British relations, with regard to Hong Kong, before 1982 were by and large harmonious. China's official policy towards Hong Kong was declared in 1972 when the PRC was admitted to the United Nations. The PRC announced that the "settlement of the question of Hong Kong and Macau is entirely within China's sovereign right and they do not at all fall under the category of colonial territories".[5] Britain did not raise any objection to the Chinese statement, tacitly acknowledging that "its moral obligation to the interests of the people of Hong Kong was limited to what China would tolerate".[6]

Before 1982, the policy of the British colonial administration in Hong Kong towards China was to refrain from taking any action that might alienate the PRC. As the late Governor, Sir David Trench, pointed out:

> If Hong Kong could be towed 100 miles out to the sea it would be quite a different, and not necessarily a better place. But, since it can't be, every single policy — social, political or economic — is coloured by China's nearness, China's attitude, and the consequent difficulty of being certain of an assured future.... This situation demands great

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> realism in all our thinking; and many fine judgments have to be made as to what is best to be done, in any given situation. Hong Kong cannot afford the luxury of [making] mistakes, and particularly of well-meant mistakes, in any of its policies.[7]

For Britain and the colonial officials in Hong Kong, prudent governance of the territory was the best policy that could maintain the status quo. At the same time, the British were keen to preserve the Hong Kong government's relative autonomy *vis-à-vis* China. Governor Trench emphasized that Hong Kong should "not do anything silly and against China's legitimate interests, but at the same time . . . not allow herself to be pushed around unreasonably".[8]

Towards the end of the 1970s, however, some Hong Kong bankers and investors began to worry about the future of Hong Kong, in which the lease of the New Territories would expire by 1997. They urged the British Government to raise the issue of Hong Kong's future with PRC officials. Consequently, it was revealed that when the former Hong Kong Governor, Sir Murray MacLehose, visited Beijing in 1979, "an attempt was made . . . to solve the specific question of land leases expiring in 1997".[9] Although the Sino-British Joint Declaration on Hong Kong's future states that MacLehose's visit did not result in measures to cope with the question of Hong Kong, some political observers claim that China's intention of recovering its sovereignty over Hong Kong was made clear to MacLehose. Felix Patrikeeff elucidates that even though MacLehose brought back to Hong Kong Deng Xiaoping's message telling Hong Kong investors "to put their hearts at ease", the Governor "failed to pass on another important piece of information: he had asked the Chinese leadership about the possibility of prolonging a British administrative presence in Hong Kong beyond June 1997. The response was that China intended to recover sovereignty".[10] It is purely speculation that MacLehose knew in 1979 that China would recover its sovereignty over Hong Kong. According to another report, Deng Xiaoping told MacLehose that China would take back Hong Kong one day, "possibly before 1997, possibly in 1997, and possibly after 1997".[11] Yet, in a personal correspondence with the author, Lord MacLehose wrote:

> Throughout my term as Governor, and for two years afterwards and many years before, the position of the Chinese Government on Hong Kong was that it was Chinese territory and would be recovered but with the time left very vague. I therefore did not know in 1979 that China would recover Hong Kong in 1997.[12]

In any case, MacLehose's visit to China in 1979 marked the first British attempt to discuss the future of Hong Kong with China.

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The Period from September 1982 to September 1983

The pre-1982 British image of Chinese policy towards Hong Kong remained unchanged during the early phase of Sino-British negotiations over the colony's future. Britain still assumed that as long as Hong Kong was economically beneficial to China, socialist Chinese leaders would tolerate the existence of the capitalist enclave. For former British Prime Minister Margaret Thatcher, the treaties signed between the Qing (Ching) Dynasty and the British Empire were valid and any change in the status quo would have to be negotiated by Britain and China. However, Thatcher's visit to China in September 1982 proved ill-timed and detrimental to Sino-British negotiations over Hong Kong's future. Britain's victory over Argentina in the Falklands War and Thatcher's emphasis that the treaties on Hong Kong were valid merely reinforced China's image of Britain as an "imperialist" power, which was determined to maintain its colonial territories by any means. Not surprisingly, when Thatcher mentioned the significance of continuing British "links" with Hong Kong, Deng Xiaoping retorted that if the lease allowing British administration of Hong Kong until 1997 were extended, he would become another Li Hung-chang (a diplomat in the Qing Dynasty who had signed the treaties on Hong Kong and who was regarded as a traitor by the Chinese Communist Party).

The period from September 1982 to September 1983 was thus marked by conflicting perceptions between Britain and China. While Britain attempted to maintain its sovereignty over Hong Kong after 1997, Chinese diplomats demanded that the British acknowledge China's possession of Hong Kong's sovereignty.

The situation was exacerbated by the tactics which China employed: Chinese diplomats adopted an aggressive negotiating style, threatening to announce unilaterally their plans for Hong Kong's future if an agreement with Britain could not be reached by September 1984, a month prior to the thirty-fifth anniversary of the establishment of the PRC. Following the fourth round of negotiations in September 1983, the rate of the Hong Kong dollar plunged in the foreign exchange market.[13] At this juncture, some Hong Kong people hoped that China would modify its rigid position in order to rescue the Hong Kong economy. But this was a forlorn hope. Deng Xiaoping reportedly said that even if the Hong Kong dollar was to drop even more drastically China would not change its hardline position on sovereignty over Hong Kong.[14] Clearly, the Chinese attached more importance to sovereignty over Hong Kong than to the colony's economic prosperity. In view of China's intransigence, Britain had to make concessions for the sake of rescuing the economy of Hong Kong. Thatcher told

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the former Chinese Premier Zhao Ziyang that Britain agreed to abandon its sovereignty as well as administration of Hong Kong after 1997. But Britain would only do so if a detailed agreement was worked out on Hong Kong. Britain's negotiating strategy, therefore, shifted from maintaining British links with Hong Kong to reaching, in the words of the former British Foreign Secretary Sir Geoffrey Howe, "a form of international treaty binding under law".[15]

The process of Sino-British negotiations shaped the mutual perceptions between Britain and China in the 1980s. First and foremost, the seeds of China's mistrust of Britain had been sowed. From the Chinese perspective, Britain had numerous "conspiracies" to prolong British rule in Hong Kong. For instance, Britain once used the theory of a "three-leg stool" to argue that any solution for Hong Kong had to be acceptable to Britain, China and the Hong Kong people. But, for China, this theory was a British fabrication and an instrument by which Britain "played the public opinion card" to prevent China from exercising its right of sovereignty over Hong Kong.[16] Chinese officials also accused Britain of playing Hong Kong's "economic card" and selling Hong Kong dollars in order to extract concessions from China.[17]

Secondly, China's mistrust of Britain strengthened the former's prejudice towards the latter. China believed that Britain tried to "establish a pro-British force . . . to control the Hong Kong government" after 1997.[18] Yet, there is no concrete evidence supporting this belief. As a result, Chinese suspicion of Britain triggered endless disputes between the two sides on such matters as political reform and the protection of human rights in Hong Kong during the transition period.

China's mistrust of Britain could be clearly seen in the Sino-British negotiations on land leases before 1997. Britain requires China's support of the Hong Kong government to offer land leases running beyond 1997.[19] China has demanded that half of the revenue from land leases should be set aside for the post-colonial government. Obviously, the PRC feared that Britain "would siphon off Hong Kong's resources before 1997, leaving China with nothing but a shell".[20] This Chinese fear, as this article will later analyse, re-emerged when the Hong Kong government planned to build a new airport in 1989.

The Period from 1984 to 1988

After the Sino-British Joint Declaration was initialled in 1984, the British image of China's policy towards Hong Kong was that it would be in the PRC's interests to observe the agreement. This British perception was based on several grounds. First, Britain believed that China would treasure

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the economic prosperity of Hong Kong with a view to demonstrating the feasibility of the "one country, two systems" concept to Taiwan. As Sir Geoffrey Howe stated in 1984,

> The concept of maintaining two separate political, economic and social systems within one country is a far-sighted one .... As a means of reconciling the apparently irreconciliable it could have important implications for problems in other parts of the world ... Some have asked whether there can be any guarantee that the Chinese government will keep the agreement. There is no such thing as an absolute guarantee in relations between sovereign states. But I believe that this agreement offers the most solid guarantees which are possible ... China has a very strong interest both in adhering to this agreement and making sure that it works.[21]

In maintaining friendly relations with China, British diplomats have often refrained from mentioning the Taiwan factor in their public statements regarding the applicability of the "one country, two systems" concept for Hong Kong.

Meanwhile, the British have all along believed that the Sino-British agreement would work because of China's respect for international treaties. The Hong Kong Governor, Sir David Wilson, says that one

> can trust [the Chinese] to carry out what they have agreed to carry out in the Joint Declaration. They have a very good reputation for sticking to international agreements. They've changed their internal policies an immense amount, but they do stick to their agreements.[22]

This British image of China has persisted even after the Tiananmen tragedy in 1989. Nevertheless, no matter whether China has "a very good reputation for sticking to international agreements", Britain in 1984 did not anticipate that China would choose to interpret the Joint Declaration in such a way as to exercise a veto over policy decisions in Hong Kong during the transition period.

Political reform in Hong Kong was clearly a controversial issue between Britain and China during the transition period. Originally, Britain wished to introduce political reform so as to ensure that Hong Kong would have "a high degree of autonomy" after 1997. Although the "rapid introduction of mass electoral participation" was the hallmark of decolonization in former British colonies in Africa,[23] both the British and Hong Kong governments understood that political reform in Hong Kong had to proceed cautiously so as to avoid arousing Chinese suspicions. Thus, when a consultative document on political reform was published in 1984, the late Governor Sir Edward Youde stressed that "in drawing up our proposals we have had regard to the special circumstances of Hong Kong and the

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need to maintain our good relationship with our mainland neighbour".[24] None the less, the speed with which political reform would proceed engendered Chinese fear. The Hong Kong government proposed that members of the top policy-making body, the Executive Council (Exco), should be elected by members of the Legislative Council in 1988 and 1991.[25] If this proposal were implemented, the Exco in 1991 would have a majority of elected members — a political evolution that would become a threat to China which did not wish to envisage a Special Administrative Region (SAR) independent of its political control. Due to opposition from China, the Hong Kong government decelerated the pace and narrowed the scope of political reform.[26] The introduction of elected Exco members was postponed indefinitely.

In the case of Hong Kong's political reform, China misperceived the intentions of Britain. China perceived Britain as harbouring the hidden motive of maintaining a pro-British political system in Hong Kong after 1997. The publication of various consultative documents on political reform served to confirm the PRC's ill-conceived image of Britain. The fact of the matter is that Chinese officials neglected to recognize that these consultative documents merely represented a cautious and incremental British experiment with political reform in Hong Kong. While Governor Youde emphasized that political reform was "tailored" to Hong Kong's unique situation,[27] his successor, Governor Wilson, stressed that political change in Hong Kong was an "evolutionary" rather than a "revolutionary" process.[28] China, therefore, misunderstood the policy-making style of the colonial administration; it was short-term incrementalism instead of long-term calculated moves that guided the Hong Kong government to implement political reform.

As Britain adopted a policy of appeasement towards China on the question of political reform in Hong Kong, Sino-British relations became harmonious during 1984–88. The historic visit of the British monarch, Queen Elizabeth, to China in October 1986 marked the zenith of the cordial relations between Britain and the PRC. British corporations also participated in the construction of a nuclear plant in Daya Bay, located in the Special Administrative Region of Shenzhen. The years 1984–88 could be regarded as the honeymoon period in Sino-British relations from the standpoint of Hong Kong.

Just before the Tiananmen incident in June 1989, however, the British Parliamentary Foreign Affairs Committee began to conduct an inquiry on the implementation of the 1984 Sino-British Joint Declaration on Hong Kong. In April, members of the Foreign Affairs Committee (FAC) questioned Foreign Secretary Howe and Governor Wilson in London. They then visited Hong Kong and Beijing, listening to the views of the Hong

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Kong people and mainland Chinese officials. During the meeting with FAC members, some Hong Kong middle-class liberals, such as Martin Lee, criticized Britain for succumbing to Chinese pressure on political reform.[29] In Beijing, the Chairman of the FAC, David Howell, was told by the former Chinese Vice-Foreign Minister Zhou Nan (now the head of the New China News Agency in Hong Kong) that China had no objection to Britain giving British national status to the people of Hong Kong.

The FAC's visit to Hong Kong and China marked the beginning of the end of the honeymoon period between China and Britain. For the first time in the 1980s, the British Parliament adopted a critical perspective to assess Britain's policy towards Hong Kong. The 4 June incident in China not only made mainland drafters of the Hong Kong Basic Law — a mini-constitution for post-colonial Hong Kong — cancel a visit to the territory, but also postpone the meeting of the Sino-British Joint Liaison Group, a committee supervising the implementation of the Joint Declaration.

The Period from the Tiananmen Incident to June 1991

In the wake of the Tiananmen tragedy, the FAC published a report critical of British policy towards Hong Kong. The report concluded that the decline of the Hong Kong people's confidence in their future and in Britain "can be traced to Britain's acceptance of the Chinese demand for 'convergence'" between political reform in Hong Kong and the Basic Law.[30] The FAC called for the British Government to entrench human rights in Hong Kong's legal system and to amend the draft Basic Law, which would be promulgated by China's National People's Congress in 1990. Above all, the report recommended that setting up "a fully representative government" in Hong Kong was "the will of the Parliament in 1984" as well as "the will of Parliament today".[31] The FAC also suggested that the Conservative Party should "restore to the British nationals in Hong Kong full British citizenship".[32] Finally, the FAC criticized the policy of the Foreign and Commonwealth Office, with one Member of Parliament saying that it had "made a monumental error of judgement about the nature and character of the Chinese Communist Party".[33]

The Tiananmen incident transformed Britain's image of China. For Britain, the incident undermined the confidence of the Hong Kong people on their future, cast a shadow on the 1984 Sino-British agreement, and prompted the British Government to take measures that would restore the confidence of the people of Hong Kong. While Prime Minister Thatcher expressed her "utter revulsion and outrage" at the killings in China,[34] Sir Geoffrey Howe said that "if the worst were to happen, then the special

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responsibility of the United Kingdom for the people of Hong Kong would be inescapable, and part of that responsibility would be to mobilize the widest possible international help".[35]

Mobilizing international support for Hong Kong became a new British policy that was to offend the PRC. For China, Britain deliberately brought the issue of Hong Kong to the attention of countries in the world, thus "internationalizing" the issue of Hong Kong's future. In July 1989, at the meeting of the world's seven industrialized nations (the G-7) in Paris, a communiqué was issued calling for China "to do what is necessary to restore confidence in Hong Kong" and saying that "the continuing support of the international community will be an important element in the maintenance of confidence in Hong Kong".[36] Three months later, Prime Minister Thatcher asked the leaders of the Commonwealth Heads of Government Meeting in Kuala Lumpur, Malaysia, to urge China to rebuild confidence in the colony. At the same time, Governor Wilson visited the United States and persuaded the U.S. Government to grant immigrant status to the people of Hong Kong without requiring them to leave the colony. All this was to lead PRC officials to severely criticize the British for internationalizing the issue of Hong Kong.

Even if Britain did not internationalize the question of Hong Kong's future, Sino-British relations were bound to deteriorate after the Tiananmen incident, for China regarded Hong Kong as a foothold used by democrats to topple the PRC's socialist system. In August 1989, an article in China's *People's Daily* attacked Hong Kong liberals Szeto Wah and Martin Lee for trying to subvert the Chinese Government. Szeto and Lee were the leaders of the Hong Kong Alliance in Support of the Patriotic and Democratic Movement in China, who had once called for the Chinese military to overthrow the "Deng Xiaoping–LiPeng–Yang Shangkun regime".[37] For China, "subversive" activities against the Chinese Government were conducted under "the eyelid of the British colonial administration".[38] As a result, China added a statement to the Hong Kong Basic Law, stipulating that the post-1997 government would enact laws "to prohibit political organizations or bodies of the [Special Administrative] Region from establishing ties with foreign political organizations or bodies".[39]

China was also alienated by the strong stance adopted by the Hong Kong government, which changed its policy of appeasement to one of lobbying China. A Hong Kong government official, Barrie Wigghan, asked the Chinese Government to delay the promulgation of the Basic Law and to give up the idea of stationing Chinese troops in Hong Kong after 1997. He also questioned a provision in the draft Basic Law which would give the Standing Committee of the National People's Congress the power to declare a state of emergency in the Special Administrative Region of Hong

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Kong. Eventually, Chinese officials accused Wigghan of breaching "diplomatic commonsense" and violating the spirit of the Joint Declaration.[40]

In view of the sudden change in Britain's policy towards Hong Kong and in the position of the Hong Kong government, PRC officials took a hardline stance. In October 1989, China refused to accept 100 Chinese immigrants in retaliation against the Hong Kong government's decision to allow Yang Yang, a mainland Chinese swimmer seeking asylum, to leave Hong Kong for the United States. When the Hong Kong government permitted Yang Yang to go to the United States, the vice-director of the New China News Agency (NCNA) in Hong Kong, Zheng Hua, said angrily, "There are over 1.1 billion people in China. How many does the [Hong Kong] government want?"[41] Initially, the Hong Kong government hoped that Taiwan would accept Yang. When the Taiwanese Government procrastinated, and Yang's case was publicized in Hong Kong, the colonial administration decided not to let Yang go to Taiwan so as to avoid humiliating China. Eventually, the British asked the American Consul-General to grant Yang a visa to enter the United States. But when China hardened its attitude, the British oscillated between criticizing the Chinese Government and appeasing it. To pacify China, the British authorities in Hong Kong took action against democratic activists. On the day Yang left Hong Kong, the police obtained a search warrant to enter two television stations, and seized videotapes of the clash between the police and liberal demonstrators near the office of the New China News Agency on 29 September, the national day of the PRC.[42] Later, the Hong Kong Political Adviser, William Ehrman, wrote a letter to the NCNA, saying that:

> The Hong Kong government has no intention of allowing Hong Kong to be used as a base for subversive activities against the People's Republic of China. NCNA will have noticed the arrest of the April 5th Action Group outside their National Day reception. They will also have noted that the 10 October celebrations passed off in a low-key way, and that the Hong Kong government has recently rejected a proposal for a permanent site for a replica statue of democracy. No group in Hong Kong has any more tolerance than the law allows. The Hong Kong government will continue to have a prudent regard for the special circumstances of Hong Kong and the interests and concern of the Chinese government.[43]

Two days before 10 October, the national day of the Republic of China in Taiwan, the Hong Kong authorities also removed hundreds of Nationalist flags from the streets of Mongkok district — a move that would curry favour with NCNA officials.

This policy of appeasement notwithstanding, Britain did take efforts to boost the confidence of the Hong Kong people, despite the fact that

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these had the effect of infuriating the PRC. Prime Minister Thatcher said that although it would be politically impossible to grant full British nationality to 3.25 million Hong Kong British subjects, the British nationality laws could be interpreted in a "flexible" way.[44] Governor Wilson remarked that the aim of the British Nationality Act, which was passed by the British Parliament in 1990 and which granted 50,000 heads of Hong Kong households the right of abode in Britain, was "to let those chosen to have the confidence to stay in Hong Kong before and after 1997".[45] However, China has never recognized the Hong Kong Chinese as British subjects: in the Chinese view, all Hong Kong Chinese are compatriots of China, no matter whether or not they are British subjects.[46]

The British Nationality Act of 1990 reinforced China's previous image of Britain. China perceived the nationality package as a plot by London to maintain its political influence in Hong Kong after 1997, for the top civil servants would have the right of abode in Britain. In response, mainland Chinese drafters of the Hong Kong Basic Law inserted a provision into the mini-constitution, saying that

> only Chinese citizens among permanent residents of the [Special Administrative] Region with no right of abode in any foreign country may fill the following posts: the Secretaries and Deputy Secretaries of Departments, Directors of Bureaux, Commissioner Against Corruption, Director of Audit, Commissioner of Police, Director of Immigration and Commissioner of Customs and Excise.[47]

Thus, whenever Britain took action to restore the confidence of the Hong Kong people, China treated such action as evidence of sinister British motives — a deep-rooted Chinese perception that hindered the development of Sino-British relations.

Similarly, China was over-sensitive towards the British attempt to accelerate the pace of political reform in Hong Kong after the Tiananmen incident. British diplomats tried to persuade their Chinese counterparts to accept a political model in which 30 per cent of the seats in the Legislative Council would be directly elected by citizens in geographical constituencies in 1991, increasing to 50 per cent of the seats in 1995 and 100 per cent in 2003. Again, China viewed this political model as a design with sinister motives.[48] Subsequently, China used the Basic Law to limit the pace and the speed of political reform in Hong Kong. According to the Basic Law, 30 per cent of the seats in the Legislative Council would be filled by direct elections in 1995, 40 per cent in direct elections in 1999, and 50 per cent in 2003.[49]

In addition to the internationalization of Hong Kong, the enactment of the British Nationality Act of 1990 and the acceleration of political

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reform, the British Foreign and Commonwealth Office and the Hong Kong government decided to introduce a Bill of Rights to the colony. In the view of the British, the Joint Declaration could neither provide an adequate guarantee of Hong Kong's autonomy after 1997 nor boost the confidence of the Hong Kong people in the long run. Although in 1988 the United Nations Commission on Human Rights had suggested that the British Government should incorporate provisions of the International Covenant on Civil and Political Rights into Hong Kong laws, Britain did not feel that it was urgent to do so. But in October 1989, the Attorney General of the Hong Kong government, Jeremy Matthews, remarked that the Bill of Rights "should be entrenched in order to make it paramount in the laws of Hong Kong".[50]

Britain was, none the less, concerned about the possibility that the enactment of the Bill of Rights in Hong Kong would run the risk of alienating China. When the British Foreign and Commonwealth Office minister responsible for Hong Kong affairs, Francis Maude, visited Beijing in August 1990, he told Chinese officials that the Bill of Rights would not override the Basic Law. But this clarification could not calm down the Chinese. Once the bill was passed by the Hong Kong legislature in June 1991, the Chinese Foreign Ministry announced that the bill, just as other legislations, would be subject to repeal in Hong Kong after 1997. As China is not a signatory of the International Covenant on Civil and Political Rights, the existence of the Bill of Rights in post-colonial Hong Kong will be up to China.

The Controversy over the Airport Project

As a result of changing British policy towards Hong Kong after the Tiananmen incident, China's distrust of Britain was intensified — a distrust that was evident in the dispute over the construction of an airport in Hong Kong. In October 1988, Governor Sir David Wilson had said that Hong Kong might need a new airport.[51] After the Tiananmen incident, the Governor announced that the new airport would have to be built, partly because the old Kai Tak airport would reach its saturation point in the mid-1990s and partly because the colonial administration wanted to demonstrate Britain's "commitment" to Hong Kong's future.[52] When Francis Maude visited China in August 1990, he indicated that China's support was crucial to the success of the airport project which required investment from the private sector.

In actual fact, China did not oppose the airport project. The Chinese Premier Li Peng said that he fully supported Hong Kong's need for the new airport; nevertheless, he stressed that China was concerned about the

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cost of the project.[53] His remarks revealed the Chinese distrust of the British, who might mismanage the HK$127 billion (US$16.4 billion) airport and seaport projects and who might leave a financial burden on the post-colonial government. For the Hong Kong government, consultation with China did not mean giving up its autonomy on financial affairs. Governor Wilson emphasized that while China should be consulted on important matters in Hong Kong during the transition period, the colonial administration should exercise a veto power over policy decisions.[54]

Apparently, the position of the British Foreign and Commonwealth Office on the airport project was not as strong and assertive as that of the Hong Kong government. In September 1990, Lord Caithness, the new Foreign and Commonwealth Office minister responsible for Hong Kong affairs, admitted that China should be consulted because the Chinese "are going to take on a liability through the project".[55] He later stressed that China was not seeking a veto over decisions made by the colonial administration.[56] But in August 1990, the Hong Kong government awarded the first project-related works to the China Harbour Engineering Company, a move designed to solicit mainland Chinese participation in the airport project.[57] In October, the colonial administrators took a strong position; the Chief Secretary David Ford announced that the Hong Kong government would finance the construction of a bridge linking Lantau Island, where the new airport would be built, and the Kowloon peninsula. To the Chinese officials, the Hong Kong government had pre-empted their decision even before a delegation of mainland Chinese experts could discuss the airport project with the colonial policy-makers.

Infuriated by the action of the Hong Kong government to preserve its administrative autonomy, China made known that it would "scrutinize" all Hong Kong issues straddling 1997. It was reported that Chinese officials asked the Hong Kong government to freeze the airport and seaport projects until China and Britain had agreed on how the projects should proceed. But Governor Wilson rejected the demand, saying that Hong Kong needed an effective, efficient and strong administration with a "clear-cut authority".[58] In response, Chinese officials said that the airport project would lack private sector investment if China withdrew its support. In February 1991, the deputy director of China's Hong Kong and Macau Affairs office, Chen Zuo'er, declared that the Hong Kong government should not make any unilateral decision on matters straddling 1997. Another official, Luo Jiahuan, denounced Ford, accusing the latter of interfering in China's internal affairs. Later, the Chinese Vice-Premier Wu Xueqian told a group of Hong Kong politicians that only the PRC was entitled to speak for the Hong Kong people.

The controversy over the airport project centred on two major issues.

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First, China was concerned about the possibility of leaving any financial burden on the post-1997 government. Thus, Chinese diplomats demanded that the colonial government should set aside HK$50 billion (US$6.4 billion) from the fiscal reserves for the government of the Special Administrative Region.[59] Adopting a strong position, the Hong Kong government again rejected the demand, promising China that the economy would be managed in a circumspect manner. Secondly, Britain and China had different interpretations on the meaning of "consultation" in the Joint Declaration. While China expected to have the power of the veto over all major policy decisions in Hong Kong during the transition period, Britain insisted that consultation with China could by no means lead to an erosion of the autonomy of the Hong Kong government. As Governor Wilson said,

> We have some problems with the Chinese government who [have] worries about the financial state of Hong Kong [in] 1997, and we have some problems about the extent to which they should be involved in these sort of decisions, what sort of consultation, making sure that although we have discussion with China, we don't get into a position when we can't take decisions in Hong Kong.[60]

Eventually, the negotiation over the airport project came to a deadlock in mid-April 1991, when the British side called for an adjournment of the meeting to mid-May.

Although Sino-British negotiations over the airport project were to stall, there were grounds for believing that both sides would eventually reach an agreement. For one thing, China had not objected to the airport project before Ford made the provocative announcement. Even in April 1991, the top official of the Hong Kong and Macau Affairs Office, Lu Ping, reiterated that Hong Kong should have the new airport.[61] Hence, the prospect of reaching an agreement was optimistic.

Moreover, it was in the PRC's interests to approve the construction of the airport. Mainland Chinese corporations in Hong Kong would not only benefit from the lucrative projects, but also participate actively in the economic development of Hong Kong. Finally, none of Hong Kong's capitalists who visited China, such as Li Ka-shing, Vincent Lo and Gordon Wu, had expressed the view that the new airport should not be built. In fact, Hong Kong entrepreneurs hoped that China would endorse the airport project, but most of them adopted a wait-and-see attitude in public for fear of giving opinions contrary to the official Chinese line. Since China wished to acquire the support of the business community to check the power of middle-class liberals in Hong Kong's colonial political system before 1997, Chinese approval of the airport project became a bait that

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could win the confidence of the business community in the short run and could consolidate China's political control over Hong Kong in the long run. Thus, when Chinese diplomats felt that the Hong Kong government might shelve the airport project, they agreed to reach a "memorandum concerning the airport issue" with British diplomats on 31 June 1991.

According to the memorandum, China supports the construction of the new airport in Hong Kong. However, Britain will have to consult China on "important" Hong Kong affairs straddling 1997, such as public debt and the extension of the franchise of public enterprises to private companies.[62] Meanwhile, the Hong Kong government will have to reserve HK$25 billion for the post-1997 government. The Hong Kong government will also appoint a mainland Chinese official of the Bank of China in Hong Kong to the Airport Committee, thus giving China a say in the management of the project. Finally, both Britain and China agreed that the British Prime Minister John Major will visit Beijing in late 1991 and sign the Sino-British memorandum on the airport project.

Judging from the contents of the memorandum, Britain has won a pyrrhic victory. Although China's formal support of the airport project has been secured, the autonomy of the Hong Kong government has been reduced further; China will have a representative in the powerful Airport Committee to influence the development of the port and airport projects. In order to dispel China's fear and distrust of Britain's management of Hong Kong's economy, British diplomats had sacrificed the financial power of the colonial administration. The settlement of the controversial airport project illustrates the concessions that Britain was willing to make in a bid to bring Sino-British relations back to the honeymoon period of 1984–88.

In reality, the bargaining power of Britain *vis-à-vis* China has been weakened ever since the Sino-British Joint Declaration was reached, making it difficult to prevent China from intervening in Hong Kong's affairs. As George Hicks points out, "Deprived of one real bargaining card, the freedom to leave Hong Kong at a time of her own choosing, Britain has no choice but to implement Peking's Hong Kong policy".[63] Without the Tiananmen incident, Britain would not have drastically changed its original perception that China would abide by the Sino-British agreement, that the Chinese officials would refrain from meddling in Hong Kong's affairs, and that the Joint Declaration was an adequate means of boosting the confidence of the Hong Kong people. After the Tiananmen incident, the British had doubts whether China would stick to the Joint Declaration, believing that Chinese officials would interfere in Hong Kong's internal matters. The British, therefore, took measures to make the people of Hong Kong feel optimistic about their future.

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However, the British authorities in Hong Kong made a mistake by not consulting China on the construction of the airport project. Under the circumstances in which Hong Kong was regarded as a menace to China, it was unwise for the colonial administrators to suddenly implement such policies as the enactment of the Bill of Rights and the construction of a new airport, which aroused Chinese suspicions. This did not mean that the Hong Kong government should not have implemented policies to restore the confidence of the Hong Kong people, but that these policies should have been introduced step-by-step rather than simultaneously.

At the same time, the "megaphone diplomacy", to borrow words from the former official of the Foreign and Commonwealth Office Sir Richard Luce, of the Chinese officials was often a stumbling block to the improvement of Sino-British relations. Denouncing British "conspiracies" in public merely exacerbated the distrust of the Hong Kong people towards China, strengthened the already hardline position of the colonial administration, and aggravated the deteriorating relations between Britain and China. In the event the Hong Kong government did not consult China, as shown in Chief Secretary David Ford's announcement of the government's plan on the airport, Chinese officials could boycott meetings of the Joint Liaison Group as an expression of their opposition. Indeed, such a boycott would be intended as a temporary measure, giving opportunities for the British side to modify their position. China's overt denunciation of Britain often had the unintended consequence of undermining the economy of Hong Kong; this phenomenon was common during the 1982–84 Sino-British negotiations on Hong Kong's future.

In the final analysis, both Britain and China should question their assumptions about each other. In the light of the retaliatory policy that China adopted after the Tiananmen incident, such as its refusal to accept Chinese illegal immigrants in Hong Kong, Britain should realize that China often places more importance on its political sovereignty over Hong Kong than on the economic viability of the territory. Britain has always assumed that as long as Hong Kong's economic prosperity is beneficial to China's drive for modernization, it would be in the interests of China to observe the Joint Declaration. In the view of the mainland Chinese leaders, however, China can achieve its modernization programmes even without the assistance of Hong Kong.

On the other hand, PRC officials have never questioned their assumption that Britain has numerous "conspiracies" to maintain its political influence in Hong Kong after 1997. In other words, China often overestimates Britain's hostility. If China's image of Britain remains unchanged, Sino-British relations will follow a zig-zag path, and might even take a turn for the worse before 1997.

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Conclusion

Prior to 1982, China had adopted a non-interventionist policy towards Hong Kong. During the 1982–84 Sino-British negotiations on the future of Hong Kong, relations between Britain and China were tense. The British attempt to prolong their administrative presence in Hong Kong after 1997 reinforced China's perception of Britain as having sinister motives. When the Sino-British Joint Declaration on Hong Kong was initialled in 1984, it signalled the inception of a honeymoon period between Britain and China. From 1984 to 1988, Britain adopted a policy of appeasement towards China and bowed to Chinese pressure on the scope and pace of political reform in Hong Kong. However, the Tiananmen incident altered the British image of China. Britain took a strong position on Hong Kong by internationalizing the territory's future, enacting the Bill of Rights, granting Hong Kong people the right of abode in Britain, and accelerating the process of democratic reform. From June 1989 to June 1991, Britain took measures to restore the confidence of the Hong Kong people at the risk of alienating China. Yet, once China adopted a hardline policy towards Hong Kong, the British shifted their policy from one of criticizing China to one of appeasement. Since the resolution of the controversy over the airport project in late June 1991, Sino-British relations have taken a turn for the better. After the Legislative Council elections in September 1991, British diplomats have the option of negotiating with Chinese officials on the possibility of accelerating the speed of political reform in Hong Kong. As British Foreign Secretary Douglas Hurd said in 1990, the British Government hoped that "the Chinese government will in due course conclude that a faster pace of development would be desirable".[64] If Britain attempts to speed up the process of political reform in Hong Kong, Sino-British relations will fluctuate in a tense atmosphere. Unless Chinese officials question and change their misperception or biased assumption that Britain has sinister motives with regard to Hong Kong, denunciation, threats, retaliation and then dialogue will remain a cyclical pattern of Sino-Britain relations over Hong Kong in the twilight of the colonial era.

NOTES

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2. Robert Jervis, *Perception and Misperception in International Politics* (New Jersey: Princeton University Press, 1976), p. 28.
3. *Hong Kong Standard*, 13 May 1991, p. 13.

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10. Felix Patrikeeff, *Mouldering Pearl: Hong Kong at the Crossroads* (London: George Philip, 1989), p. 121. See also Yeung Sum, *Hong Kong's Political Reform* (in Chinese) (Hong Kong: Wide Angle, 1986), p. 203.
11. Frank Ching, *Hong Kong and China: For Better or For Worse* (New York: Foreign Policy Association and the China Council of the Asiatic Society, 1984), p. 9.
12. Letter from Lord Murray MacLehose to the author, 27 November 1989.
13. Joseph Cheng, ed., *Hong Kong In Search of a Future* (Hong Kong: Oxford University Press, 1984), p. 256.
14. Ching, *Hong Kong and China*, p. 17.
15. Hong Kong *Standard*, 6 December 1984.
16. Zhu Chung-yu et al., *From the Cession of Hong Kong to the Queen's Visit to China: Sino-British Relations, 1840–1986* (in Chinese) (Fujian: Renmin Publisher, 1990), p. 237. See also *Ta Kung Pao* (Hong Kong), 7 October 1983. The editorial said, "Ninety-eight percent of the Hong Kong people are Chinese and Britain has no right to represent them .... Using the 'public opinion question' to prevent China from reasserting her sovereignty over Hong Kong is futile."
17. See Wang Yu, *The Hong Kong Question and the "One Country, Two Systems"* (Beijing: Daidi Publisher, 1990), p. 25.
18. See Ku Shing-fai's *Ku Shing-fai Discusses Hong Kong* (in Chinese) (Hong Kong: Mirror Cultural Enterprises, 1987), p. 48. Some people said that Ku was a pen name of an official of the New China News Agency in Hong Kong, see p. 285.
19. Ching, *Hong Kong and China*, p. 30.
20. Ibid., p. 30.
21. Hong Kong *Standard*, 7 December 1984, p. 4.
22. Hong Kong *Standard*, 13 May 1991, p. 13.
23. Ruth Berins Collier, *Regimes in Tropical Africa: Changing Forms of Supremacy, 1945–1975* (Berkeley: University of California Press, 1982), p. 12.
24. Address by the Governor Sir Edward Youde to the Legislative Council on 18 July 1984, a booklet attached to the Green Paper: *The Further Development of Representative Government in Hong Kong* (Hong Kong: Government Printer, July 1984), p. 5.
25. See Green Paper, p. 17.
26. See Lo Shiu-hing, "Colonial Policy-Makers, Capitalist Class and China: Determinants of Electoral Reform in Hong Kong's and Macau's Legislatures", *Pacific Affairs* 62, no. 2 (Summer 1989): 204–18. Chinese officials said that the Green Paper breached the Sino-British agreement, using the Joint Declaration as a means to obstruct political reform in Hong Kong.
27. Address by the Governor Sir Edward Youde to the Legislative Council of 18 July 1984 (Hong Kong: Government Printer, 1984), p. 2.

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35. *South China Morning Post*, 15 June 1989, p. 10.
36. *Asiaweek*, 28 July 1989, pp. 26–27.
37. Emily Lau, "A Subversive Alliance", *FEER*, 3 August 1989, p. 29.
38. Ibid., p. 29.
39. *The Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China* (Hong Kong: The Consultative Committee for the Basic Law, April 1990), p. 13.
40. Emily Lau, "Outspoken Official", *FEER*, 31 August 1989, p. 17.
41. Emily Lau, "Peking's Pique", *FEER*, 19 October 1989, p. 20.
42. Ibid., p. 20.
43. *South China Morning Post*, 26 October 1989, p. 1.
44. Emily Lau, "Lobbying London", *FEER*, 6 July 1989, p. 30. It was also reported that Thatcher told the Foreign Office to cut by 50 per cent the 200,000 British passports which it had recommended should be offered to the Hong Kong people. See *FEER*, 5 October 1989, p. 13.
45. *Address by the Governor Sir David Wilson at the Opening of the 1990/91 Session of the Legislative Council on 10 October 1990* (Hong Kong: Government Printer, 1990), p. 9.
46. See "The Nationality Issue In Regard to Hong Kong Residents", Reference (5), CCBL-SECR-880819 (E), prepared by the Secretariat of the Consultative Committee for the Basic Law, p. 13. See also Chang Chak-yan, "The Fate of Chinese British Subjects in Hong Kong: The Policy of Non-recognition of the People's Republic of China", Working Paper (Centre for Contemporary Asian Studies, the Chinese University of Hong Kong, undated), p. 2.
47. *The Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China*, p. 36, Article 10.
48. See Ku Shing-fai, "The Truth of Convergence in Hong Kong's Political System", *Mirror* (Hong Kong Chinese magazine), February 1990, pp. 7–8.
49. Emily Lau, "Backroom Betrayal", *FEER*, 1 March 1990.
50. Emily Lau, "Law Unto Itself", *FEER*, 29 March 1990, p. 11.
51. *Address by the Governor Sir David Wilson at the Opening of the 1988/89 Session of the Legislative Council on 12 October 1988* (Hong Kong: Government Printer, 1989), p. 90.
52. "The Governor's Annual Speech: Full Text", *South China Morning Post*, Special Supplement, 12 October 1989, p. 16.
53. Emily Lau, "Tripping Over", *FEER*, 9 August 1990, p. 11.
54. *Address by the Governor Sir David Wilson at the Opening of the 1990/91 Session of the Legislative Council on 10 October 1990*, p. 36, footnote 49.
55. Emily Lau, "Autonomy Squeeze", *FEER*, 4 October 1990, p. 24.

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56. Philip Bowring and Emily Lau, "Turning Up the Heat", *FEER*, 14 February 1991, p. 23.
57. Emily Lau, "Autonomy Squeeze", *FEER*, 4 October 1990, p. 26.
58. Emily Lau, "Turbulence in Transit", *FEER*, 24 January 1991, p. 21.
59. Emily Lau, "Terminal Delay", *FEER*, 21 March 1991, p. 11.
60. *Hong Kong Standard*, 13 May 1991, p. 13.
61. *Hong Kong Economic Journal*, 30 April 1991, p. 4.
62. See *Ming Pao* (Hong Kong Chinese newspaper, Toronto edition), 5 July 1991, p. 1. See also *Sing Tao Jih Pao* (Toronto edition), 5 July 1991, p. 11.
63. George L. Hicks, *Hong Kong Countdown* (Hong Kong: Writers and Publishers' Co-operative, 1989), p. 50.
64. See *White Paper on the Annual Report on Hong Kong 1989 to Parliament* (Hong Kong: Government Printer, 18 April 1990), Foreword by Douglas Hurd.

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External Influences on Contemporary Islamic Resurgence in Malaysia

MOHAMAD ABU BAKAR

The article attempts to show the various external factors which have been largely responsible for reinforcing the growth and shaping the direction of Islamic resurgence among the Muslim Malays in the last two decades. While admitting the importance of outside influences in the promotion of Malaysian Islam, basically it is re-education in Islam within Malay society which has created a supportive environment for the adoption of a more Islamic outlook and prepared the climate of thought leading to the revival of Islamic sentiments. Consequently, the Malay masses have become not only more aware of the need for a fuller implementation of religious rulings in both private and public lives, but also highly susceptible to religious influences from outside in transforming their society along Islamic fundamentalist lines.

Malaysian Islam, more specifically Malay Islam, has always been an extension of world Islam, which has its origins and axis in the Middle East. During the time of the Malaccan Sultanate in particular, Muslim traders, Arab travellers, Persian Sufis, and Indian preachers, many of whom had received their religious education in Mecca and Medina, brought the faith to the Malay Peninsula. Notwithstanding the Western encroachment, which started with the Portuguese occupation of Malacca in 1511, and saw its climax in the British administration of the Malay states in the 1870s, Malaya-Middle East linkages remained strong, and constituted a major influence on the lives of Muslim Malays. Notable among incidents of Malay patronage of Middle Eastern Islam was the religious reformism of the 1920s and 1930s which witnessed an upsurge of Islamic consciouness

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associated with the teachings of *ulama* (religious scholars) and *ustaz* (Islamic teachers) who had been trained in Mecca or Egypt.

Contemporary Islamic resurgence in Malaysia, too, cannot and should not be seen in isolation from world Islamic developments. For that matter, present-day Malays are more amenable to outside Islamic influences than ever before, partly because of better communications and the role of the mass media. They now have external ties not only with their Muslim brethren in the Middle East, but also with the other members of the *ummah* (larger Muslim community) who are to be found in virtually every corner of the globe. Their identification with the world of Islam, facilitated by scientific and technological progress, is compounded by their awareness of Islamic movements taking place in countries like Egypt, Pakistan and Iran. Some are greatly enamoured of Islamic undertakings in these areas. In short, the circumstances of the time conspire to make them see themselves more and more as members of the same community of believers; this has increased their self-consciousness and self-confidence as Muslims, which in turn increases their receptivity to Islam.

However, a majority of observers have attached undue importance to Islamic events occurring outside Malaysia as a factor influencing or governing the direction of Malay Islam. This is not only unfounded, but also unfortunate, because it has produced a distorted picture of Islamic resurgence within Malaysia. Ameer Ali, for example, categorically notes that the "... revival that ushered in the 1970s was a combined product of three events of great significance: the partial victory of Egypt in the 1973 war with Israel, the formation of the Organisation of Petroleum Exporting Countries (OPEC) with its Arab members forming a subgroup (CAPEC), and the success of the Iranian revolution in 1979".[1] No doubt, the Muslim Malays, like their co-religionists elsewhere, were affected by these happenings, so much so that they became immersed in international Islamic news. However, their growing Islamic inclination and their new espousal of the Islamic cause are basically the result of re-education in Islam. External events, including secularizing tendencies which have wrecked Muslim and non-Muslim societies, only dramatize their views on the challenges to contemporary Islam, apart from bringing a fresh perspective to their Islamic idealism. This monolithic perception of Islamic resurgence also springs from the belief that the world-wide religious re-assertion in the Muslim world is a unilateral development, with local Islamic communities playing little role in the overall upsurge.

For the purpose of this article, five major sources of external influences on contemporary Islam in Malaysia will be discussed, although they were not crucial factors in the development of religious life among the Malays.

Firstly, attention should be paid to the spread of Islamic literature

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and the dissemination of Islamic knowledge. One distinct feature which distinguishes contemporary Islamic resurgence in Malaysia from earlier Islamic developments of the forties, fifties and the sixties is the impact of the writings of Middle Eastern and South Indian fundamentalists on the local Islamicists. For a long time, the Malays have been introduced to the Islamic radicalism of Ikhwanool Muslimoon and Jamaat Islami, especially through the fortnightly *Pengasuh*, and the monthly *Qalam*, *Al-Islam* and *Dian*. But, because of their religious upbringing and the nature of the social problems they faced, the outside Islamic input failed to spark off any fundamental change in their religious outlook or attitude. The Islamic message found no resonance, except perhaps in the minds of a few Pan-Malaysian Islamic Party (PAS) leaders and followers. Now things have changed, and the Muslim Malays, as a result of their re-education in Islam, have responded positively to the writings of the Middle Eastern and South Indian fundamentalists. Hassan al-Banna, the founder of Ikhwanool Muslimoon, Sayyid Qutb, its thinker and ideologue, and Abu Ala Maududi, the leader of Jamaat Islami, are among the prominent Muslims whose works are read avidly by local Islamicists. Hassan al-Banna's exploration of the Islamic way of life and his espousal of Islamic ideology, Sayyid Qutb's enunciation of Islamic social justice and his discussion of "Generasi al-Quran" or the "generation of the companions of the Prophet",[2] and Abu Ala Maududi's reaffirmation of the Islamic *weltanschaung*, with the unity and sovereignty of God as its core content,[3] have an appeal among the growing number of local Islamic adherents, and complement their understanding of their religion. The Muslim Malays' knowledge of Islam, acquired through official religious classes, re-education in religious subjects during *usrah* (group discussions) and the like, and association with other puritanical reformers, is fused together with the kind of knowledge spread by the Middle Eastern and South Asian fundamentalists. As never before, there are now many takers of Islamic teachings emanating from Egypt and Pakistan among the Muslims of Malaysia. In this context, Sayyid Qutb's *Maalim Fil Tariq* (Milestone), *al Mustaqbal Lihada al Din* (Islam: The Religion of the Future) and *tafsir* or exegesis of the Quran, *Fil Zilal Quran* (Under the Shade of the Quran), and Abu Ala Maududi's *Islamic Way of Life* and *tafsir, Tarjumaal Quran*, have become popular reading and are important references for those bent upon resurrecting Islam in a pristine form.

Similarly, the writings of other Islamic scholars, such as Sheikh Mohd. al Ghazali, another member of Ikhwanool Muslimoon, Maryam Jameelah, a follower of Abu Ala Maududi and Said Hawa, a leader of the Syrian chapter of Ikhwanool Muslimoon, are also widely read and their contents analysed by adherents. While rejecting the popular Malaysian notion of

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Islam as a partial view of things and showing their revulsion against the pervasive influence of modernism in the country, the local Islamicists are also able to comprehend the validity of Islam in the world more meaningfully after going through the writings of these Islamic preachers. By embracing their interpretation of Islam, the Malaysian Islamic fundamentalists have become more convinced of the need to translate their religious views into purposeful actions. For some, the works of the Middle Eastern and South Asian Islamicists have become the only way to interpret Quranic texts and the Prophetic Tradition. In short, the inspirational writings of Hassan al-Banna, Sayyid Qutb, Abu Ala Maududi and others have added fuel to their *dakwah* (missionary) activities.

Second is the question of the influence of foreign fundamentalist movements. Closely tied to the above development is the growing influence of foreign fundamentalist movements on local Islamic and *dakwah* organizations. In fact, this should not be viewed as a separate development because, together with the spread of foreign Islamic literature, there has been a simultaneous inflow of information and ideas into the country pertaining to the struggle of Ikhwanool Muslimoon[4] and Jamaat Islami.[5] This has come either in the form of news broadcasts over the radio, or been carried by the local dailies, or have appeared in books and pamphlets which deal with the ideological commitment and Islamic objectives of the respective fundamentalist organizations. The situation, however, has its parallel in past developments in Malay society; the impact of the Wahabi movement and the *ummatic* struggle of Jamaluddin al-Afgani on Malay political life is one outstanding example.[6]

Both the Ikhwanool Muslimoon and the Jamaat Islami battled for the realization of the *Shariah* (Islamic laws), and in the process had to fight against man-made systems. The Egyptian and Pakistani governments, respectively, became the focus of their anger. For Abu Ala Maududi, theocracy or the Kingdom of God should be established in place of the secular systems of government. The Islamic struggle also calls them to look back to their history, especially the *Seerah* which contains the life and work of the Prophet S.A.W. Other things highlighted by the Ikhwanool Muslimoon and the Jamaat Islami, which have captivated the minds of the local Islamicists, include their disenchantment with Western civilization, their opposition to the licentiousness of urban life and, above all, their stoical determination to lead an Islamic life in spite of the odds and challenges posed by modern living. Without doubt, the work of the Ikhwanool Muslimoon and Jamaat Islami serves as an impetus to the burgeoning Islamic movement in Malaysia. Now that the local Islamicists are better educated in religious matters, are more articulate and more aware about their social surroundings, they are in a more advantageous position to

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grasp the meaning and message of the foreign fundamentalist struggle. With their minds already recast in an Islamic mould, the call for the greater Islamization of society, either from outside or inside the country, gets a better hearing among the Islamic populace. Even the idea of Islam as a total system, with its own world-view, is no longer alien to Muslim Malay thinking. The kind of Islamic education which they had received over the past few years, with its emphasis on a holistic understanding of Islam, has paved the way for them to accept *in toto* the teachings of the Middle Eastern and South Asian revivalists. Like Abu Ala Maududi, the *Shariah* to them is also "a complete scheme of life and an all-embracing social order where nothing is superfluous and nothing lacking".[7] The change is amazing; the young Islamicists in particular have become animated and highly enthusiastic about Islamic developments abroad.

The recent growth and popularity of Jamaat Tabligh, another *dakwah* movement in Malaysia, must also be seen in a similar light. This organization originated outside Malaysia too, in the Indian sub-continent, and has connections with other Jamaat Tabligh activities all over the world. But today the Jamaat Tabligh is no longer the preserve of the visiting Pakistani and Indian Muslims; in fact, it is as much a Muslim Malay *dakwah* movement as it is a missionary organization under the guidance and direction of foreign preachers. Having gone through Islamic re-education, the Malay populace have not only become more attentive to *dakwah* as a whole, but have also become appreciative of the work undertaken by such groups as the Jamaat Tabligh and have turned it into their own movement. Of course, the surface manifestations of their religious commitment remain more or less the same as that found during the period of foreign leadership. As pious adherents of the faith, Jamaat Tabligh leaders and followers demonstrate their fidelity to Islam in the same manner as other fundamentalists, that is, in observing such rituals as *salat* (prayer) and *puasa* (fasting), and adopting the outward trappings of Islam by wearing the *jubah* (robe) and the *serban* (head gear), which are reminiscent of Malay Islam.

Thirdly, the role of returning Malay students needs to be understood. Returning students constitute a different type of external factor, for they are at one and the same time representatives of a "foreign" element as well as a constituent part of Malaysian society. Abroad, they had undergone the same kind of Islamic re-education as their brother and sister Muslims at home,[8] and as such they too formed an attentive and appreciative audience in the Islamization process in the countries in which they resided. In both the United Kingdom and the United States of America, where there exist large congregations of Malay students, these Malay youths — in contrast to their predecessors — were able to acclimatize themselves better to Islam, having had a relatively good background knowledge of religious

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subjects. The view that they were prone to outside manipulation is an exaggeration, for they responded naturally to the teachings of visiting *ulama* and respectable *ustaz*, and organized Islamic activities undertaken by students from other countries.

As a result of their Islamic re-education and exposure to international Islamic events, there occurred a wholesale transformation of their basic attitude towards life. They embraced Islam in full and enjoined others to do the same. When earlier on they only had a marginal interest in religion, they now invoked Islamic values in their day-to-day social relations, championing the cause of Muslim unity, and showing great concern about the subversion of Islam by secular ideologies. Politically, the mainstream of their thinking has been in the direction of an Islamic state. This development is representative of a trend that has grown out of a belief in the self-sufficiency of Islam.

On their return to Malaysia, these students continued to exhibit their Islamic sentiments, and many joined the various *dakwah* groups in order to augment their Islamic struggle. Their presence in society, and their association with existing Islamic movements, thus became another contributory factor responsible for the crystallization of Islamic orthodoxy in Malaysia.

In trying to match their Islamic rhetoric with concrete actions, the returning Malay students differed from their predecessors. Instead of becoming Westernized oriental gentlemen, or secular-minded intellectuals or "modern" thinking administrators, these young graduates embarked on an Islamic course unthinkable not so long ago. With the increasing Islamic affiliation of the Malay population, these student returnees did not face much difficulty in selling their Islamic ideas. In fact, their religious approach to life enjoyed a wide currency among certain groups of Muslim Malays who were swayed by their Islamic sentiments.

Fourth is the impact of the fourth Arab-Israeli War and the Iranian Revolution. The impact of the fourth Arab-Israeli War of 1973 can be compared to that of the Khalifat movement earlier, when the Malays were jolted by events in the Middle East.[9] As co-religionists, they were concerned about the fate of the Ottoman Empire and the consequent breakdown of the Islamic world. Although for a while the Muslim Malays were forced to look at the world in Islamic terms, their struggle did not turn them into ardent believers of Islam and proponents of change along strict Islamic lines. The fourth Arab-Israeli War, together with the oil embargo imposed by the petroleum producing Arab states, only stirred their Islamic feeling, and nothing more. Thus, one should not give too much emphasis on these events as factors responsible for the contemporary religious upsurge in Malaysia.[10]

Although, on balance, the Iranian revolution had a greater influence

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on the Muslim Malays of Malaysia, it would be equally erroneous to speak of it as a major contributory factor for the rapid Islamization of Malaysian society. The Iranian upheaval took place in 1979, several years after the Muslim Malays had been engulfed by *dakwah* work and *dakwah* activities. There was also a mixed response to the overthrow of the Shah of Iran and the establishment of the Islamic Republic. Naturally, the Islamicists took pride in the Iranian revolution; their support flowed from their belief that for the first time in modern times the Muslim people were able to bring down a man-made system and establish a full-fledged Islamic state. But many others, for various reasons, were not infatuated with the Iranian revolution, and far from drawing comfort from the event, they saw the uprising as a retrogressive development which hindered progress and obstructed world peace. Nevertheless, because there were sections of the populace who were attracted to the Iranian Islamic struggle the Malaysian Government became concerned about its possible impact on Malaysian society. At one stage, U.S. Embassy officials in Malaysia also received "queries from Washington as to what might be taking place among Moslems in this country".[11] Overall, it is possible to conclude that even the Iranian revolution proved to be peripheral to the Islamization process in Malaysia for, in the final analysis, it has been the strength, or the vitality, of local Islam, the Malay Islam, which has defined and set the pace of the *dakwah* movement and the related religious activities in Malaysian society.

Fifthly, there is the appeal of international Islamic organizations to be considered. The proliferation of international Islamic activities, which began in the aftermath of the burning of the al Aqsa Mosque in 1967, has no doubt elicited popular enthusiasm in Malaysia, but as far as religious resurgence in the country is concerned the growth has only a negligible effect upon its development. It was the Malaysian Government more than any other group which gained from the attempt to base international relations on ideology. Ever since Tunku Abdul Rahman's days as Prime Minister, Kuala Lumpur has been flirting with pan-Islamic ideas, and even hosted the fifth meeting of the Islamic foreign ministers.[12] The universal appeal of such supranational concepts as the *ummah* has, at times, brought Malaysia into the mainstream of the international Islamic movement. The country has not only been able to increase its standing among the other Muslim nations through its invocation of Islamic themes of Muslim unity and Muslim solidarity, but has also managed to secure Arab largesse for its national development. Libya, for example, has subsidized several Malaysian Islamic activities.[13]

There is no clear evidence that the international Islamic organization has given Malay Islamicists new self-confidence and a sense of direction.

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For those obsessed with the idea that the government has failed in resurrecting the original Islamic way of life, Malaysia's Islamic links have not stopped them from repudiating the religious functionaries associated with international work. The type of international Islamic development that has provided an incentive to their religious life is the *jihad* (the military struggle) of the Afghan Mujahideen who have been attempting to overthrow the Soviet-backed regime in Afghanistan. In this connection, they were in no way influenced into waging a similar war, for their concern was to aid the fleeing refugees and to give support to the Afghan people's struggle. The Muslim Youth Movement of Malaysia (ABIM) has its own "Save Afghanistan Fund" to help those affected by the war to settle down and lead a normal life.

A mixture of circumstances, therefore, is responsible for the generally rapid Islamization in Malay society during the last one and a half decades. As a contributory factor, foreign influences in various forms and manifestations have aided the development of Islam in contemporary Malaysia. The upshot is that the Muslim Malays of today are in certain respects different from the Malay populace of the fifties and sixties. They now express more millennialist sentiments, struggling to graft fundamentalist values onto their society in the process. They are joined by traditional *ulama*, including *pondok* (religious boarding schools) teachers, who have never abandoned their moorings in Islam, and together with them and others, fight for a return to the orthodoxy of Islam. In this regard, the neo-fundamentalists, to use Fazlur Rahman's term, are both trying to return to the purity of Islam and are responding to the challenge of secularism and modernism. It is partly because of this that certain observers see the Islamic resurgence in Malaysia as getting a new orientation from the Middle East or Iran.

However, one salient feature of contemporary Islam in Malaysia which can be associated with external influences is the Islamicists' emphasis on the "total" nature of Islam. The slogan "Islam Is A Way of Life"[14] was only recently drummed into the ears of the Malays, although Islam as a way of life has long been a reality for some people throughout Malaysian history. Because of the spread of Islamic literature and especially the influence of the Middle Eastern and South Asian revivalists with their stress on Islam as a total system, the local adherents of the faith are able to see the role of their religion from a fresh perspective. Consequently, the idea of Islam as a complete and comprehensive way of life is no longer held by a minority; Muslim Malays of different persuasions have begun to embrace it. It is this multi-class appeal of the slogan and its ability to draw support from a broader geographical base that has given contemporary Islam in Malaysia its distinctive feature.

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NOTES

1. Ameer Ali, "Islamic Revivalism in Harmony and Conflict", *Asian Survey* 24, no. 3 (March 1984): 299.
2. For further discussions on the thought of Sayyid Qutb, see for example, Ibrahim Abu Rabi, "Sayyid Qutb: From Religious Realism to Radical Social Criticism", *Islamic Quarterly* 28, no. 2 (1984); and Yvonne Y. Haddad, "Sayyid Qutb, Idealogue of Islamic Revivalism", in *Voices of Resurgent Islam*, edited by J.L. Esposito (New York and London: Oxford University Press, 1983).
3. For further details about the life and works of Abu Ala Maududi, see A. Rashid Moten, "Pure and Practical Ideology: The Thought of Mawlana Maududi (1903–1979)", *Islamic Quarterly* 27, no. 4 (1984); and Charles J. Adam, "Maududi and the Islamic State", in *Voices of Resurgent Islam*.
4. For an analysis of the organization and struggle of Ikhwanool Muslimoon, see Richard P. Mitchell, *The Society of the Muslim Brothers* (London: Oxford University Press, 1969).
5. For a study of Jamaat Islami, see Kalim Bahadur, *The Jama'at-Islami of Pakistan* (Lahore: Progressive Books, 1978).
6. See, for example, Zakaria @ Mahmood Daud Ali and Ahmad Zaki Hj. Ibrahim, "Muhammad Abdul Wahab dan Pengaruhnya kepada Dunia Islam dalam Bidang Akidah dan Politik" [Muhammad Abdul Wahab and his Influence on Religion and Politics in the Muslim World], Working Paper, Seminar on Islamic Thought, Fakulti Usuluddin, Akademi Islam Universiti Malaya, Kuala Lumpur, 9 and 10 November 1987.
7. Abu Ala Maududi, *Islamic Law and Constitution* (Lahore: Islamic Publications Ltd., 1960), p. 53.
8. For more details, see Mohamad Abu Bakar, "Islamic Revivalism and the Political Process in Malaysia", *Asian Survey* 21, no. 10 (October 1981): 1041–43.
9. For further information, see Anthony Reid, "Nineteenth Century Pan-Islam in Indonesia and Malaysia", *Journal of Asian Studies* 26, no. 2 (1967).
10. Judith Nagata, in one of her works on Islamic revivalism in Malaysia, unduly attributes the prosperity and power of the Middle Eastern states as a factor contributing to the religious resurgence. See Judith Nagata, "Religious Ideology and Social Change: the Islamic Revival in Malaysia", *Pacific Affairs* (Fall 1980), p. 412.
11. Fred R. von der Mehden, *The Role of Islam in Malaysia and Indonesia*, Program of Development Studies (Houstan, Texas: Rice University, n.d.), p. 18.
12. See Mohamad Abu Bakar, "Islam in Malaysia's Foreign Policy", *Hamdard Islamicus* 13 (January 1990): 6, 9.
13. See Geoffrey C. Gunn, "Radical Islam in Southeast Asia: Rhetoric and Reality in the Middle East Connection", *Journal of Contemporary Asia* 16, no. 1 (1986): 39.
14. For further details, see Mohamad Abu Bakar, "'Islam Adalah Satu Cara Hidup' Sebagai Slogan dan Saranan Politik" ['Islam is a Way of Life' as a slogan and a political offering] (Paper presented at the Seminar Pemikiran Islam, Fakulti Usuluddin, Akademi Islam, Universiti Malaya, 9–10 November 1987).

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Book Reviews

***Agenda for the Nineties: Australian Choices in Foreign and Defence Policy.* Edited by Coral Bell.** Longman Cheshire, 1991. 315 pp.

In her Foreword to this wide-ranging collection of essays, Coral Bell remarks: "The specific objective has been to look primarily at the background against which Australian decision-makers and policy-makers will have to make national choices . . .". The keyword is "background". Few of the essays in this book examine specific, or "foreground" problems facing Australia and, where they do so, prescriptive remedies are offered only in generalized terms, if at all. Jim Richardson's elegant concluding essay, "Debates and Options for Australia", does much to pull together the diverse themes of the book, but he underlines Bell's point about its objective: "It has not been the aim of the present book to examine the specific and immediate foreign policy agenda: by now a substantial literature is available on most of Australia's major relationships and on most of the immediate foreign policy issues. The book has attempted the more daunting task of exploring the kind of context which Australia and its decision-makers may confront in the 1990s".

While it may be unfair to criticize a book on the basis of what it does not attempt to do, I found myself frustrated by the vagueness with which many of these essays related "context" to Australian decision-making. The last thing needed in Australia, to be sure, is intensified introspection. Yet Richardson's point could surely be stood on its head very easily. Is it not the case that the literature on "contexts" — whether of global power balances, environmental problems, or world trade — is far more substantial and available than the literature on Australia's major relationships and

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immediate foreign policy challenges? And is not the "more daunting task", therefore, not the re-examination of these contexts, but the strenuous effort to discern Australia's options within them? The chief weakness of this book, in my view, is that too many of the essays do not make that strenuous effort, but simply reiterate things already widely discussed in Australia and abroad.

The pattern of the book is set, perhaps appropriately, by Coral Bell's opening essay, "The Changing Central Balance and Australian Policy". The essay is overwhelmingly devoted to a reflection on the global geo-political implications of the passing of the U.S.–Soviet cold war (pp. 1–18). Two paragraphs, on pages 20–21, are specifically devoted to Australia's outlook in the 1990s and these are rather otiose, merely suggesting that Australia will remain a useful ally of the United States "for the foreseeable future" and "has no cause to quarrel with any of the six potential central balance powers". Those six, of course, are the USA, the USSR, the European Community, the People's Republic of China, Japan and India. The essay's chief point, as I read it, is that the transition from a bilateral to a multilateral balance of power bodes well, since "bilateral balances have tended to produce cataclysmic wars for the society of states concerned". With a historical vision that seems to reflect the Metternichian sympathies of her hero Henry Kissinger, Bell observes: "The experience of the nineteenth century society of states, mostly dominated by multilateral balances, encourages the hope that the decision-makers of the twenty-first century society of states may do at least as well." They must, of course, do far better, since the nineteenth century system she looks back on with such complacency sowed all the seeds of the catastrophe that began in Europe in 1914 and climaxed with its ruin and East-West division in 1945. Nor can the world outside Europe have much desire for a return to the international conditions that prevailed for them in the European nineteenth century! In any case, Bell leaves Australia's prospects in this multilateral world restored terribly vague. U.S.-Japanese frictions "may provide painful dilemmas for countries like Australia", she observes, but specifies no particular prospective dilemma, much less how we might cope with it. Her conclusion: " . . . the 1990s look promising in many respects . . . a stressful journey probably, though certainly an interesting one", is rendered vacuous by the fact that Australia's possible journeys through the 1990s are neither charted nor examined in her essay.

Similar remarks might be made, *mutatis mutandis*, in regard to Alan Burnett's essay "Defence of the Environment: The New Issue in International Relations"; Trevor Findlay's essay "Arms Control Ascendant"; Bob Miller's "The Soviet Union and Eastern Europe: An Upsurge of People's Power"; Gary Klintworth's "China: Advance and Retreat?"; Coral

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Bell's "Japan and East Asia: Portents of Change"; Leszek Buszynski's "ASEAN and Its Orbit"; and Sandy Gordon's "India: Nation, Neighbourhood and Region". Of all these papers, the last is the only one that mentions Australia, and even then only in the final sentence, which warns of a "challenging process of adjustment for Australia", the elements of which are neither presented nor examined. It is not that these essays are marred by poor scholarship or reasoning that prompts criticism, for they are all sound enough in these respects. Rather it is that, in a book entitled *Agenda for the Nineties: Australian Choices in Foreign and Defence Policy*, they fail to discuss Australia at all, construct no agenda and offer no choices. If only these papers were included, the book might more aptly have been called *Some Interesting Things That Are Happening in the World Around Us*.

The essays by Stuart Harris ("Economic Changes in the International System: Implications for Australia's Prospects"), John Piper ("Pacific Challenges: The Islands and New Zealand"), Richard Higgott ("The New Europe"), Ross Babbage ("The Australian–United States Alliance"), and Jim Richardson ("Debates And Options for Australia"), give some substance to the book's title. Perhaps this is in part because the first four have a sustained professional interest in the specifically Australian concern with the spheres they examine here. This is not so true of the other contributors to the book, with the possible exception of Gary Klintworth and Sandy Gordon. Stuart Harris and John Piper, especially, bring a wealth of experience in the Department of Foreign Affairs and Trade to their papers.

Personally, I found the papers by Harris and Higgott the most stimulating in the book, though Richardson's concluding piece has a special place in the collection and certainly enhances the book as a whole. My preference is due not only to the fact that these authors actually address an Australian agenda and ponder Australian choices — for Piper and Babbage do likewise — but to their specific concern with Australia's precarious economic position in the international trading system of the 1990s. While Richardson offers some thoughtful caveats to the proposition, it seems that the greatest challenge to Australian sovereignty (or at least to its vitality) in the 1990s is that of economic solvency. These two essays directly address that issue. Of the two, Harris's is the more economically analytical and has not, like Higgott's, been overtaken in various details by recent events.

Compared with Bell's enthusiasm for the breakdown of the cold war scheme of things, Harris takes cognizance of the unsettling implications — especially for a country like Australia — of the multilateralization of the international trading system, as U.S. economic hegemony continues to wane. His argument proceeds from the important premise that

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"free trade will not occur on its own but has to be imposed"; with the corollary that where the hegemonic power is in decline and begins to seek to protect itself, the liberal system may be unable to survive. Harris observes a "diminishing adherence internationally to rules-based cooperative behaviour" as nations seek to fend off the consequences of rapid economic change, rather than adjusting to it. At the same time, he notes that the growing integration of global capital markets and information flows have "greatly reduced domestic control over economic policy", undermining economic sovereignty, even as it becomes more and more impossible "for countries to remain apart from the international system". The emerging "tendency to regionalism" springs from the tensions between burgeoning globalization and eroding national economic sovereignties. What is Australia to do under these circumstances? Harris is firmly of the opinion that "it was in Australia's interest to reduce protection without waiting for reciprocal benefits"; that it must strive for greater efficiency and productivity not only in its export industries but in all its economic activities; that it has strong interest in pursuing GATT (General Agreement on Tariffs and Trade) reform; and that the protectionist tendencies of the United States, not the economic dynamism of East Asia, pose the biggest threat to freedom to compete in the major markets. His faith is in internationalism, which he believes will "ultimately prevail", but he cautions that "the limits of the scope for nationalism provided by the internationalist pressures are easy to underestimate". Just at this point, one would rather like him to outline a couple of sombre scenarios, but he does not. Moreover, for all his remarks about the erosion of national economic sovereignty by international trends, he calls for the trenchant exercise of just such sovereignty in the national interest, which seems to me to be a paradox that goes to the heart of his economic argument and invites much further examination. Australia, he concludes a little ominously, "must adjust more quickly to changing international circumstances than it has so far shown itself able to do. Domestic institutional change will need to reflect the speed of international institutional or structural change. Its present position indicates so far an inability to do that." In other words, Australia should impose free trade on itself and hope that agreed rules will re-emerge internationally where they cannot be imposed. The challenges of adjustment under such circumstances will be formidable, but Harris's claim is that there is no viable alternative.

It is Richardson who most starkly juxtaposes the economic prospects facing Australia in the 1990s: "The worst of all worlds for Australia [would be] a world of hostile trading blocs; but a global economy in which giant oligopolies, financial institutions and transnational coalitions pursue their interests with greater autonomy than governments will not be a comfortable one for small countries like Australia, however skilful their

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policies". The pressures of both economic and environmental change are coming to a head, he observes, "at a time when the ruling ideology is an uncritical celebration of market forces and a denigration of the role of government in seeking to regulate them in the name of larger social goals". Challenging the prescription of "simple economic solutions" — notably the Garnaut Report's emphasis on the total removal of protection for Australian industry by 2000 — Richardson calls for a wide-ranging study of "the potential role of the Australian state, drawing on experience elsewhere — not only the NIEs, but also examples such as France and Germany".

He goes further, in calling for a "kind of cultural revolution" in Australia. The term, of course, has unfortunate connotations, but he plainly has nothing very Maoist in mind. "How", he asks, "can rapid social and cultural change, disturbing to many, be rendered acceptable in the context of certain traditions and attitudes which characterize Australian society — easy-going, inward-looking, egalitarian (even allowing for the mythical element), with a well-developed strain of cynicism?" He praises the Garnaut Report for its recommendation that Australia "seek intensive contact with the dynamic societies of North East Asia", but expresses dismay at the narrow and unimaginative "stances of the political parties in the face of these challenges". Australia, he suggests, "has some of the features of a highly educated society" but suffers from virtually tribal "disciplinary protectionism" and a consequent poverty of enlightened generalist discourse. One might go further and suggest that Australia has, as one of its notable features, a highly anti-educational and anti-intellectual general culture, which has infected even its universities. The challenge of cultural revolution in this country is, therefore, even more formidable than Richardson cares to claim. What is certain is that an unrelenting debate on the character of Australia and its capacity to command its own destiny is long overdue. This book is, unfortunately, only a tentative and rather timid contribution to such a debate.

PAUL MONK
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Asia and the Major Powers: Domestic Politics and Foreign Policy. Edited by Robert A. Scalapino, Seizaburo Sato, Jusuf Wanadi and Sung-Joo Han. Berkeley: Institute of East Asian Studies, University of California, 1988. 395 pp.

The volume under review is a rich collection of fifteen essays on the relationship between the domestic political context of decision-making and

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the foreign policies of the major powers in Asia. The essays are organized around, and connected by, this linkage theory. Although the writers have their own ideas about linkage theory, this common theoretical approach proves successful in giving the book some coherence.

The essays in this book seek to challenge the notion of the "rational actor" model of international behaviour, primarily with regard to the nature of the domestic political process. In addition, they also consider differing political inputs into the foreign policy-making process.

The challenge relating to the nature of the domestic political process criticizes the realist orthodoxy of there being one single coherent national political process by presenting many supra- and sub-national political processes.

In his introductory essay Scalapino discusses the tendency of the American political process to develop supranational loyalties: for example, an international moralism which contradicts more nationalistic political values and roles. Instead of reflecting coherent national values, the U.S. political process has started to respond to inputs which revolve around international concerns.

Scalapino (with reference to Myanmar and Iran) goes on to mention religious values as another type of supranational value which is an input into the national foreign policy-making process. These values are also discussed by, among others, Zakaria Haji Ahmad who focuses upon the increasing influence of universal Islamic values on the second generation of the Malaysian political élite.

Sub-national political processes, according to Scalapino's concluding essay ("Political Trends in Asia"), can produce many values which have an impact upon an administration's foreign policy-making — an impact which can be magnified because of the lack of an institutionalized political process. Thus, the development of political values within armies, military and bureaucratic factions, racial and ethnic group and age cohorts within the political élite is an important factor in explaining the foreign policies of Asian nations.

An interesting analysis of the influence of the perceptions and values of the Thai army (and its different factions and personalities) upon Thai foreign policy is encapsulated in Suchit Bunbongkarn's essay, "Foreign and Domestic Policy in Thailand". Sub-national political processes within the military and their influence on South Korean foreign policy are discussed in Han Sung-Joo's essay.

With regard to the increasing role of academic/intellectual extra-bureaucratic political forces, the most interesting analyses can be found in Wanandi's piece on Indonesia and Suchit's on Thailand, whilst the political values of ethnic groups and age cohorts are covered by, respectively,

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Chan Heng Chee (in terms of Malay–Chinese groups and their impact upon Singapore–Malaysia relations), and Wanandi and Zakaria Haji Ahmad (with reference to generational change in the foreign policy administrations in Indonesia and Malaysia).

Important inputs into the foreign policy-making process, which this book considers, can revolve around a regime's search for legitimacy through its foreign policy; especially with regard to the idea of performance criteria. Foreign policy which stems from an effort to legitimize a regime often drives states to pay attention to, keep close ties with, and seek support from like-minded countries. The converse of this is that close ties with states with differing outlooks or structures could prove costly. Richter's essay on Pakistan examines the impact of Islamic ideology on its relations with other Islamic countries and with communist states.

Many of the essays in this book deal with the necessity of effective administrative performance in order to maintain internal stability, particularly with regard to authoritarian regimes. This theme is examined in the realm of foreign policy by Hiroshi Kimura's essay concerning Soviet policy in Asia, in which he notes that the need for successful economic and political reforms is regarded as an independent variable in Gorbachev's foreign policy. The attempt to establish cordial relations with Japan and China and the downgrading of ideological and power political motives in Soviet Asian policy are partly explained by the need to gain support for the administration's reforms.

Whilst there are problems arising from different individual attitudes towards linkage theory, this collection of essays succeeds in impressing the reader through some thought-provoking ideas and contributions. The efforts made by the Institute of East Asian Studies to create some new understanding with regard to the relationship between domestic politics and foreign policy in these societies have not been in vain.

TIMO KIVIMAKI
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Fiji: The Politics of Illusion. By Deryck Scarr. Sydney: New South Wales University Press, 1989. 181 pp.

The May 1987 coup in Fiji was the first in the South Pacific. It caused particular alarm in the Western nations of Australia and New Zealand

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where it was viewed as a radically destabilizing event in a hitherto quiet international backwater, and where it offended prevailing ideas about democracy and racial equality. In this book, South Pacific historian Deryck Scarr aims to redress this chauvinism. Perhaps it was a feeling of isolation in this role which makes him more of an advocate than a judge in performing it.

The Labour part of the coalition government which won power in Fiji in April 1987 is represented as a front for the execution of long frustrated ethnic Indian aspirations for power. Likewise, its Prime Minister, the late Dr Timoci Bavadra, is portrayed as naively under the ideological influence of Marxists at the University of the South Pacific, though Scarr acknowledges that the coalition's election platform was only "mildly leftist" in character. This improbable concert of opportunistic ethnic Indian lawyers and radical intellectuals is partly explained, Scarr suggests, by the social frustrations of acculturated urban Fijians and marginalized part-Europeans, one of whom was to become the head of the prime minister's department after the election. Public service supporters of the coalition are excoriated for their greed over the excessive wage demands which led to the wage freeze preceding the opposition victory. Thus, Scarr gives little credence to the popular welfare provisions of an election platform borne along in such a sea of unrelieved self-interest.

Ordinary ethnic Indians are represented, sometimes through the medium of recollected conversations with taxi-drivers, as disparaging the Fijians — "Fijians are animals", he remembers one Indian driver saying as he surveys a crowd at a bus stop in the mostly Indian town of Lautoka. For their part, more educated ethnic Indians are said to depict themselves as "people from a land of culture" with a "patronising affection" for the Fijians. Ethnic Indians are held to resent the political dominance of the native Fijians and the fact that most of the land is tied up in inalienable native titles. In contrast, the Fijian élite is depicted as pragmatic and accommodating in the defence of a native paramountcy they never conceded to Indian designs for political equality. Have we any right to condemn then when, after an election victory in which only a small percentage of Fijian voters supported the coalition, the almost wholly Fijian military decides to redress the outcome in favour of their chiefly leaders in the defeated Alliance government?

A forensic virtue of Scarr's account is that it accurately reflects a point of view held by many Fijians, albeit anecdotal-slanted; "not many Fijians have survived in the taxi business", he says in the interest of strengthening the moral justification for a coup that the author sympathizes with. The fact that racial prejudices are sometimes shared by people in both communities, if mostly hidden below the surface, supports

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rather than detracts from the thesis basic to Scarr's account, that Fiji is a plural rather than a multiracial society and that the opposition ethnic Indian-based National Federation Party (NFP) was never seen by the Fijian community as a legitimate alternative government. He accurately identifies the impolitic stress on legal equality which fostered ethnic Indian illusions about the entrenchment of their formal rights in Fiji. But in this account of homogenous racial groups in confrontation, there is little about the similar problems faced by many rural workers and urban squatters in both communities, a complication not easily accommodated, or perhaps not seen as relevant, in such a heavily communal view of political life.

This simplistic focus on the communal basis for the coups obscures other factors deserving more attention. These include the extent to which urbanized Fijians felt frustration over what they perceived as the growing inertia of the long-term Alliance government, some Fijian resentment over the continuing dominance of the Eastern Fijian élite in national politics, and development of urban problems as a consequence of population growth and the small-scale industrialization. Moreover, the Taukei movement, which was the main civilian base of the coup makers, drew important support from working class Fijians whose aspirations were not always in tune with the restoration of traditional chiefly rule. Since the constitutional revisions undertaken following the second coup, some of its leaders have accused the restored Alliance élite of selling out poor Fijians, and one of them has transferred his support to the coalition. While the existence of class factors such as these do not necessarily contradict communal-based accounts of the coup, they indicate that Fijian motivations were more complex than a reading of Scarr's book would suggest.

Within these limitations, Scarr's narrative of events is still interesting. His depiction of the difficulties confronting the Governor-General (now President) Ratu Sir Penaja Ganilau as he struggled to reconcile his constitutional and traditional duties is insightful, as is his account of the awkward position into which the coups thrust the defeated Prime Minister, Ratu Sir Kamisese Mara. The coup leader, Colonel Sitiveni Rabuka, though figuring less prominently in Scarr's account than he does in others, is sympathetically portrayed in the context of traditional Fijian political roles. He also captures the alarm of Fijians who fear being marginalized in an ethnic Indian-dominated market state.

Scarr's depiction of the opposition, however, is less revealing. To bolster his interpretation of the coup, Scarr says that the Labour Party, which was formed out of the Fiji trade union movement just over a year prior to the election, was nothing more than a front for a faction of the ethnic Indian-based National Federation Party. In reality, most of the old

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NFP leadership had been eliminated before they were allowed to join ranks with the Labour Party. Indeed, some of its dispossessed mandarins sought shelter in the Indian branch of the Alliance for the restoration of their political fortunes after the coup. The multiracial Labour Party was the dominant partner in the coalition, something which has been confirmed with the selection of Adi Kuini Bavadra to head the opposition, following the death of her husband. Scarr enjoys portraying the ineptitude of some coalition supporters in rising to the defence of the Party after the coup, when exaggerated stories of military atrocities and Central Intelligence Agency (CIA) involvement abounded. Too many petty egos ventilated themselves in the wreckage of the Fijian state, and with hindsight many would agree with him when he opines that the Labour Party should not have gone into coalition with the NFP. He has nothing to say, however, about the failure of the Fijian Alliance Party to reassert constitutionalism after the coups, a role in which Ratu Mara might have been more effective if he had been less withdrawn.

The most serious shortcoming of this book lies in Scarr's frequent personal disparagement of the deposed government's members and supporters and, worse, in his projection of the ethnic Indian community as uniformly selfish, racially prejudiced against Fijians, and stupidly assertive in the political sphere. Of what relevance, for example, is the anecdote about the disciple of Ghandi who proudly boasted that he had not lost his records of debtors in a house fire? This tourist's view of Fijian Indians sits oddly in a book with such a serious intent and makes the reader wonder about the cultural sensitivity of an author so obviously annoyed by the lack of it in others.

Overall, this is a provocative book which has succeeded in its aim of arousing impassioned debate even if it does not finally set the record straight on the coups. With all the cards on the table, what is needed now is an attempt to reconcile differences and ideas about where the communities of Fiji can go from here.

ALAN ROBSON
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War by Other Means: National Liberation and Revolution in Vietnam, 1954–1960. **By Carlyle A. Thayer.** Sydney: Allen and Unwin, 1989.

Most of the vast number of books on the Vietnam War concentrate — inevitably, given market pressures — on the American side of the war. If

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the "other side" is seen at all, it is largely through the prism of American perceptions and assessments at the time of the war. Another general characteristic of Vietnam War books is the tendency to race through the early years between 1954 and 1960 as a curtain-raiser to the main event. This excellent book by Carlyle Thayer is a corrective to both these general characteristics. It concentrates specifically on the overall strategy of the Vietnam Workers Party (VWP) towards the question of unification during the crucial but neglected period between 1954 and 1960.

The question of the unity of Vietnam has, along with the question of independence, dominated post-World War II Vietnamese history. Ever since the declaration of Vietnamese independence on 2 September 1954, the preservation of Vietnamese unity was at the top of Ho Chi Minh's and the VWP's agenda. Why, then, did the Democratic Republic of Vietnam and the VWP appear to allow other political considerations, such as the socialist transformation of North Vietnam and the international socialist imperative of peaceful co-existence, to push the issue of unification further down the agenda during the years 1954 to 1960? The book addresses itself centrally to this vital question.

It is clear from this book that an answer cannot be provided by a simple analysis of the situation in South Vietnam after 1954, or of the strategy for the socialist rebuilding of North Vietnam; rather, there was a combination of imperatives — a mixture of the patriotic, the ideological, and the prudential. Dominating patriotic considerations was, of course, the pressure to reunify a country that had for decades been divided by French colonialism and then, as it seemed, by America's attempt to make South Vietnam a front-line bastion in the cold war. The concept of "My-Diem", that is, of the Ngo Dinh Diem regime as a puppet serving American interests, appealed potentially to a public far wider than the membership of the Vietnam Workers Party. On the other hand, the ideological imperative acted as a permanent constraint on the notion that the VWP's task was merely the unification of Vietnam. Unification had to be co-ordinated with the fundamental task of creating a *socialist* Vietnam and with the global interests of the international socialist movement of which the VWP was a constituent part. Any student of modern Vietnamese history who fails to take this into account is ignoring the *fons et origo* of Vietnamese communism. The task of assessing what those international socialist interests were, however, was immensely complicated in this period by the growing ideological split between the USSR and China.

Prudential considerations went hand in hand with these patriotic and ideological pressures. They ranged from an uncertainty regarding the extent of U.S. commitment to Diem's South Vietnam, to an awareness of the difficulty that North Vietnam would have in sustaining a prolonged

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conflict unless its basic economy could be strengthened, and to a continuing doubt about the ability of the southern comrades to stage a successful all-out rebellion against Diem, and possibly, the United States. As far as North Vietnam's foreign policy was concerned, the ideological need to balance international socialist interests against parochial (but immensely important) patriotic interests, merged imperceptibly into the strictly prudential consideration that if North Vietnam was to encourage and support a full-scale rebellion against Diem and the United States, it would first require a broad spectrum of international support.

Essentially, Carlyle Thayer shows in this book how these considerations affected Vietnamese communist policy towards unification during the years of post-Geneva and pre-American military intervention. The key to his reconstruction of the sequence of decisions is the succession of Central Committee Plenums, politburo decisions and reports from the Southern Committee of the VWP. His conclusions present a far more complex picture than the traditional view that irresistible pressures from southern cadres (under mortal threat from Diem's security forces) compelled the VWP in Hanoi retrospectively to put their imprimatur on a national liberation movement that had already begun. It seems, in fact, firstly, that there was a considerable degree of co-ordination between the northern and southern communists in the formulation of policy, and that the southern comrades were as cautious as the communists in the north; and secondly, the politburo/Central Committee decisions were profoundly affected by the international situation and the need, ideological and prudential, for Vietnam to move in co-ordination with its socialist allies. The book also gives clear evidence of the extent to which the early organization of VWP resistance to the Diem regime depended on a military alliance with the religious sects opposed to Diem. In fact, until the arrival of large numbers of North Vietnamese troops and cadres, it seems that the relative weakness of the VWP organization in the South necessitated alliances with non-communist dissident forces. This was as true in the period 1954–60 as it had been in 1954.

Overall, this is a very important book, thoroughly researched and clearly written. Analysis of the policy of communist regimes is never easy and the result can be daunting for the reader. However, for the serious student of the Vietnam War, it is an indispensable companion and corrective to the mass of literature on America's involvement in that war.

CLIVE CHRISTIE
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***Laos: Beyond the Revolution*. By Joseph J. Zasloff and Leonard Unger.** Basingstoke: Macmillan, 1991. 350 pp.

For the communist party leaders in Indochina, the international arena has changed drastically during the last few years. The number of socialist states has diminished, and those that remain are fighting a domestic rear-guard action against demands for political pluralism and show signs of economic collapse. For Vietnam and Laos, it seems that the Soviet Union can no longer afford to play the role of *deus ex machina* and underwrite their inefficient economies. The apparent solution has been to open the doors to Western investment and trade, for only this can provide the skills, technology and convertible currency so desperately needed. Hanoi and Vientiane have adopted a new perspective on the world with which to accommodate this policy shift; global interdependence has replaced "cold war" antagonism. Unfortunately, despite an undoubted interest in Indochina's long-term potential, Western firms have been slow to respond (with the exception of the oil industry).

Laos: Beyond the Revolution is based on a series of papers delivered at a conference in Washington, D.C. on "Current Developments in Laos", back in May 1988. Written by some of the leading Vientianne watchers, the thirteen chapters are divided into five broad sections: politics, economics, society, external relations, and a rather tangential group entitled "US Policy Towards Laos in Historical Perspective", which largely covers the pre-liberation period of the Royal Lao Government.

This book is undoubtedly a valuable addition to the handful of works devoted to the Lao People's Democratic Republic. However, the almost three-year delay in its publication is unfortunate, as the reader continually comes up against information that is out of date. Relations between Vientiane and Washington have progressed significantly since Lambertson's brief chapter on U.S.–Lao relations was written. Furthermore, the comments exchanged between the Lao and Thai diplomats date from a period when Vientiane accused Bangkok of perpetrating "a secret war, mainly psychological, of spying and of sabotage against Laos".

In addition, Zasloff describes veteran prime minister and party secretary Kaysone Phomvihane as "energetic" and "alert", which has not been the case since his serious illness in 1990. Indeed, concern about his demise and succession have brought to light possible factions within the politburo. Contrary to the popular Western perception of a cohesive Lao leadership, one Vietnamese official has expressed some anxiety that a pro-Chinese faction might come to the ascendancy during any period of political flux.

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In their preface, the editors proclaim that within Indochina, Laos "has suddenly emerged as the front runner in economic and political reform". One might at first think this rather unlikely: the country is economically backward, with minimal infrastructure; its leadership has shown little political initiative, preferring to behave as Hanoi's "apprentice"; and the majority of its people are poorly-educated subsistence rice growers. But Laos has found itself well-positioned to take advantage of recent regional shifts. Stuart-Fox argues that Lao foreign policy in the 1980s had taken an "increasingly even-handed 'non-aligned' position", despite the country's special relationship with the more doctrinal Vietnam. The guarded *rapprochement* with China is also cited by Stuart-Fox, and has been consolidated by economic co-operation (on both national and provincial levels) since the paper was written.

It is suggested by Zasloff that there exists a degree of competition between foreign aid donors to out-donate their rivals in Laos, and that the "principal restraint upon the flow of foreign aid funds is the limited absorptive capacity" of the country itself. He quotes both CMEA (Council for Mutual Economic Assistance) and Western advisers alike who have become exasperated by the bureaucratic bottlenecks and the state's delibitating "bo pinh yan syndrome" (translated as "never mind — don't worry about it").

Evan's examination of the Lao economy, and the "planning problems in peripheral socialism" offers a sober assessment of the country's weaknesses, and the potential pitfalls in its development drive. As with aid programmes — which in the past had fallen victim to poor planning — Laos requires foreign investment that "is formulated within the framework of sectoral strategies". The infrastructural problems of the country are so immense that Laos' economic development must be addressed on an "integrated basis", rather than the piecemeal approach pursued by individual private firms at present.

To be the "front runner" in Indochina may not mean a great deal. Cambodia is not in a fit state to enact economic reform, whilst Vietnam seems to be weighed down by a corrupt bureaucracy and too much ideological baggage. However, Laos' natural resources alone suggest that the country has significant potential in the long term. But the path towards the harnessing of that innate potential will be a lengthy one, and we have yet to see whether the communist leadership can retain its legitimacy and steer Laos along that arduous route.

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Thailand and the Dynamics of Economic and Security Complex in Mainland Southeast Asia

KHATHARYA UM

In recent years, the decline of Vietnam's position in Indochina, as well as China's improved relations with the ASEAN countries, have encouraged Thailand to embark on schemes for transforming itself into the economic centre of a resurgent mainland Southeast Asia. Thailand's current economic power and exigencies of moving to the next stage of industrialization complement the emergent desire of its underdeveloped neighbours for rapid progress through economic modernization. Although economic imperatives have become a central determinant of Thailand's foreign policy, external economic objectives are also linked to its longer term security goals.

A New Look at Thailand and Indochina

In an address in December 1988, former Prime Minister of Thailand, Chatichai Choonhavan, observed that:

> where the lines dividing friends and adversaries are no longer self-evident or clear-cut, diplomacy has become the art and science of... managing relationships with *both* friends and adversaries across all issue areas, to ensure that one's interests are protected and enhanced.[1]

These pronouncements were to mark the reorientation of Thai foreign policy vis-à-vis Indochina. The focus of the "New Look Diplomacy" is now on trade as the ultimate redresser of past foreign policy pitfalls. The Thai Prime Minister's office defended the new initiative as having been necessitated by the diplomatic impasse on the Cambodia issue. Thailand's interests, it was argued, must be defended by all means, even if that entails a quick reversal of course in the face of new exigencies. The Foreign

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Ministry's contention was that "now that JIM [Jakarta Informal Talks] has failed, we need to think of our own security".[2] Thailand's diplomatic activism was particularly conspicuous during the last year of the Chatichai government.

Initially, the confusion surrounding the new initiative was fuelled by the internal power struggle between the Prime Minister's office, the Foreign Ministry, and the military, as each vied for political predominance. In the end, however, there appears to have been an approximation of views. The call for a "constructive relationship with the socialist states",[3] which was the basis of Chatichai's campaign to turn Indochina from a "battlefield to a trading market", was matched by similar pronouncements from the Foreign Ministry in November 1989. In virtual reversal of its militantly anti-Vietnam position, the Ministry has proclaimed that the new "business of diplomacy is business",[4] and has indicated its intention to minimize its hardline preoccupation with Vietnam and redirect its focus onto "bread and butter" issues:

> To Thailand, the present Kampuchea problem has different form from that of 10 years ago. At this juncture, our foreign policy has to be adjusted to the changing circumstance...
>
> ... as we have attained a certain level of security, we should concentrate on strengthening our economic base, which will be an important determinant of our national security in the long run.[5]

In this altered strategic context, security matters will come to revolve more around "economic and trade matters, cooperation and technological competition".[6] To meet new exigencies, Thai foreign policy is to be re-oriented towards the exploitation of markets not only in Indochina but also in the Middle East, Africa and Latin America.[7] As a result of this reassessment, past divergence in policy outlook between the two vying political forces has narrowed significantly. What appeared to be a dual-track policy — of fighting and trading — has merged under a newly forged consensus on a foreign policy that emphasizes economic imperatives as central determinants in the formulation of Thai foreign policy.

Gateway to *Suwannaphum*

Great controversy was aroused by the Thai military's vision of a resurrected *Suwannaphum*, the Golden Land that was Southeast Asia. At the heart of this concept lies the vision of Thailand as the nucleus of regional plentitude. The vision of *Suwannaphum* is founded upon the expectation that Thailand's economic power can be bolstered by the vast resources and potentials of the neighbouring states of Indochina and Myanmar (Burma).

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From this harnessed strength, Thailand can become the new regional power centre. In the words of a Thai official:

> ...the economy of Laos is tied to that of Thailand. In the future Vietnam could become a competitor of ours because Vietnam has much potential. If we establish good relations with them, we can join forces and become an economic power.[8]

The notion of "greater Thailand", founded on the integration, *de facto* or otherwise, of parts of Myanmar, Laos and Cambodia into a strategic whole is not a novel concept. It is, rather, a policy *leit-motif*, with long-standing historical roots, amounting in essence to Thailand's own concept of "manifest destiny".

In the 1980s, Thailand's renewed sense of national confidence derived from the fact that, once again, Thailand had emerged as the singular, politically stable and economically fortified country on mainland Southeast Asia. With an overall industrial growth of 30 per cent between 1988 and 1989, the late 1980s saw a significant expansion in most sectors of the Thai economy — exports, manufacturing, agriculture and services. Because of this economic vibrancy, foreign direct investment — though still prominently Japanese — continued to increase by almost 58,000 million baht in 1989.[9]

From Bangkok's perspective, given the economic and political state of affairs, Thailand is the logical and inevitable "strategic window" to Indochina. In an address at the World Economic Forum National Meeting, the then Foreign Minister, Siddhi Savetsila, projected that:

> After peace and stability is restored in Kampuchea, Thailand with our more developed and sophisticated economy is willing and ready to become a supporting partner for the reconstruction of Indochina. Given Thailand's geographical location and close cultural links with the three Indochinese states, Thailand can serve as a funnel for foreign assistance; a bridge linking the Indochinese states and the global economy and a gateway and springboard for interested foreign investors. Bangkok and the northeastern cities will be the most logical stepping stones for trade and economic relations and contact between various transnational corporations and Indochina. Our infrastructure such as airport and seaport facilities can be utilized. Private foreign investors can also collaborate with their Thai partners in entering the Indochinese market.[10]

Reinforced through economic links to neighbours with resource and market potential, Thailand, moreover, stands to become the core of broader regional economic co-operation in the coming decade. Thailand, as former Prime Minister Chatichai has contended, is primed to become the "nucleus

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of an Asia-Pacific zone, with Australia and Japan providing regional balance to compete economically with an integrated European community in 1992 and a protectionist United States".[11]

To the other sub-regional states, particularly those aspiring to regional leadership, this visionary agenda is looked upon with some degree of concern. Questions have been raised whether a new axis is, in fact, being drawn between a Thai-dominated Southeast Asia and the maritime states. Such concerns have been compounded by the rapidly changing Thai attitudes towards the Vietnam-installed government in Cambodia and the military regime in Myanmar. Much of the concern, however, is rooted in the Chatichai administration's proclivity towards non-consultation with its ASEAN partners and Chatichai's own penchant for sweeping and controversial rhetoric. One example was his proposal for a joint Thai-Japanese naval exercise in the South China Sea, which became the focus of much discussions in other ASEAN capitals.

Amidst these expressions of renewed Thai confidence, speculations have been made regarding the possibility of a hidden agenda behind this appearance of spontaneous economic opportunism. While the ramifications of such a policy thrust are ultimately of strategic significance, the impetus is primarily economic and domestic. Sustained economic growth, estimated at 10 per cent in 1988 has given a greater voice to big business interests. As a result of increased democratization and an expanded participatory base, these interests have come to exert their influence in the political arena. With ties to high-ranking members of the government, their interests and concerns are influencing policy decisions that had been the exclusive privilege of the few.

Their political voice is, however, a manifestation not only of surging confidence but also of growing concern regarding Thailand's ability to maintain a competitive advantage in the face of political and social pressures. Much of the challenges facing Thailand are those shared by most newly industrializing economies, or economies seeking to graduate to the next stage of industrialization. Thailand will not only be competing with the other ASEAN countries for foreign investment and aid but will also be confronting the economic pressures from Eastern Europe and the People's Republic of China (PRC) as they become competitive in the jewellery, textile, and electrical appliances sectors. Both of these competitors have already penetrated the Indochina markets.[12] Apart from the scramble for markets and vying for foreign aid and investment, there has been a progressive depletion of domestic resources. Widening ecological consciousness has prompted domestic policy initiatives that undercut both the supply base and the profit margin, calling for compensating alternatives.

At the global level, resource scarcity has also compelled an accelerating

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international momentum towards the territorialization of the seas. Access to invaluable marine and offshore resources is now delimited by the emerging international regime which gives broader jurisdiction to coastal states over the management of resources. The introduction of new international precepts such as the principle of Exclusive Economic Zones (EEZs) has not brought uniform benefits to all states. For countries such as Thailand which have depended upon open access to the seas, such declaration has brought new constraints.

Economic Justifications for the "New Look Diplomacy"

The "New Look Diplomacy" is aimed at constructing a new political context within which active government initiatives could be undertaken to promote Thai economic interests and to establish the groundwork for long-term economic co-operation. In May 1988, an agreement was reached with the Hanoi government for the establishment of a venture capital company that would also serve as a central co-ordinating agency for trade and investment.[13] A similar Thai initiative was undertaken with the Phnom-Penh government in the formulation of an inter-agency governmental committee to "prepare a future role for Thailand in Cambodia's economic development".[14]

One of the initial measures for promoting subregional trade is through the restructuring of the financial sectors and the regulation of capital flows. Towards this objective, there have been concerted government efforts to promote Thai banking presence in Indochina in order to obviate the need to transact through Hong Kong and Singapore, as was being done. Efforts at promoting trade and investment in Indochina have culminated in the recent Thai proposal for the adoption of the baht as the medium currency. This is expected to help advance intra-regional trade as well as reduce the risk of currency fluctuation, which is one of the key deterrents to investment in Indochina.

Combined, these structural changes have bolstered economic interaction between Thailand and the formerly cloistered states of Indochina. Ambitious schemes involve large infrastructural and industrial development programmes, particularly in the northeastern part of Thailand. The reactivation of the railway line from Aranyaprathet to Poipet and across the northwestern province of Battambang would facilitate overland trade as well as enable direct waterway trade down the Mekong River into Vietnam. Recently, Australia also agreed to undertake the construction of a bridge across the Mekong, with a projected completion date for 1994. Beyond the obvious economic benefits, it is without question that some of

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these initiatives also have security implications as they figure fundamentally within the "total defence" framework of the Thai military.[15]

One of the key industries targetted for co-operative development is fishery. With an annual catch of 1.8–2.8 million tons and an export value of 43,000 million baht in 1988, Thailand now ranks among the top seven international exporters of marine products.[16] The development of production technology has enabled Thai producers to meet international standards for canned products, thereby sustaining overseas demand for Thai canned and frozen seafood.

The proclamation of the EEZ, to which Thailand conceded reluctantly, had generated adverse effects upon this flourishing industry. A sizeable portion of Thailand's EEZ overlaps with the proclaimed continental shelves of Vietnam and Cambodia. In effect, Thailand has to relinquish its autonomous control over 300,000 square miles of fishing grounds with an approximate annual yield of 600,000–800,000 tons of marine catch. As it is, marine resources in the Gulf of Thailand have significantly diminished as a result of pollution and over-exploitation by trawler and small-net fishing.

The relatively untapped fishing grounds in Myanmar, Vietnam and Cambodia, in this context, present lucrative prospects, and have been the target of arduous government efforts in negotiations for fishing access. With 60 per cent equity, the Thai PMA Agro-industry has entered into an agreement with the Vietnamese government to improve an animal feed factory in Ho Chi Minh City. Moreover, the popularity of the tiger shrimp has made aquaculture one of the growing industries in Thailand. However, with its proliferation, tiger shrimp farming has generated adverse ecological and environmental effects, compelling the search for alternative production sites.

Given the energy problems that will beset Thailand in its industrialization drive, the oil resource potential of Vietnam is yet another incentive for broadening economic co-operation. So far, Vietnam has depended upon oil imports, mainly from the Soviet Union. With years of Soviet technological assistance, however, the petroleum industry is now registering export potential. It is expected that recent joint ventures in oil exploration and production would bolster the development of the petroleum industry. According to an East-West Center study, Vietnam's oil production has now reached the level of self-sufficiency and is projected to increase tenfold within the next decade and a half.[17] This will be timely as it has been posited that given progressive industrialization, urbanization, and population growth, the energy demand of the ASEAN countries by the year 2000 will be an estimated 7 million barrels per day.[18] Thus, the petroleum industry may be the initial avenue for Vietnam's eventual participation in a regional economic forum.

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Economic development, however, is hindered by a prevailing set of factors, not the least of which are political uncertainties. In addition to diplomatic and political impediments, tax policies and ambiguous investment laws have deterred prospective foreign investors. Much of the economic dialogue, thus, has been in the form of securing contracts for future implementation, and establishing the groundwork for future projects. It is also important to note that despite talks of economic co-operation, many of the transactions remain barter agreements, such as the exchange of raw materials for used machinery. Barter arrangements are often preferred because of the marked discrepancy between the official and the black-market rates of exchange. For buyers, it circumvents the problem of inadequate foreign exchange reserves.

In all, much of the economic flurry in recent years has rested primarily upon individual economic opportunism motivated by short-term profit-making incentives. This has given resonance to frequent charges of Thai "neo-colonialism". An editorial comment on Radio Vientiane underlines this bitterness:

> Having failed to conquer us militarily, they have turned to a new weapon, one without firepower, the effectiveness of which is much greater than that of other weapons.[19]

For true co-operation to be possible, these structural and political constraints must be redressed.

Changing Security Imperatives in Thailand and Indochina

While discussions of Chatichai's "New Look Diplomacy" have centred primarily on economic motivations, defenders of the policy have also pointed to changing politico–military dynamics on mainland Southeast Asia as the basis for a strategic reassessment. Analyses of Thai diplomatic history have often pointed to the flexibility in the formulation of the country's foreign policy in which national security, in essence, is made to rest on what Richard Childress once referred to as "the moving equilibrium".[20] Patterns of Thai foreign policy shifts have reflected a proclivity to reconcile with the powers that be. Siam's co-operation with the Allied Powers in World War I was replaced by an initial policy of accommodation towards Japan which was reversed towards the end of the war when loyalty to the United States appeared a wiser policy option.

In launching the "New Look" campaign, Chatichai had proclaimed a new era in Thai diplomatic history. He stated:

> For Thailand which has come of age in every respect, the age of bending with the wind is over . . . [It now has to] act as a wise and skilful

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> sailor . . . who knows where he is going, what he wishes to do, and how he should set out to do [it].[21]

While the form and context may have changed, in substance, the guiding principle in the conduct of Thai diplomacy remains that "there are no permanent friends or enemies and (that) prevailing conditions are the prime determinants of the proper courses of action to be taken".[22] In the mid-1970s, with the American exit from Indochina and the trans-Mekong areas under communist control, Thailand sought normalized relations with its neighbours to the east despite having fought on the opposing side throughout the Vietnam War. Such accommodation was expedient. Harmonious co-existence was also sought with Vietnam.

It was only in the aftermath of the Vietnamese invasion and occupation of Cambodia in 1978 that the power configuration on the mainland shifted fundamentally. Previously, the strategic balance had been constructed with neutralist Cambodia and Laos as the pivotal buffer states between the two power contenders, Vietnam and Thailand. With the consolidation of Indochina under Vietnamese control, however, this strategic balance was offset. As Sukhumbhand Paribatra points out:

> . . .the crucial importance of the trans-Mekong area to Thailand's security was again demonstrated when the Vietnamese invaded Cambodia . . . will-nilly it has been forced to accept Vietnam's domination over Laos. For geostrategic reasons they are not willing to tolerate the projection of Vietnamese power into the whole of the trans-Mekong area, especially when the projection of that power is supported by an external actor, which itself is a potential threat.[23]

With the commitment of support from the United States, the PRC and its ASEAN partners, Thailand assumed the frontline position in the anti-Vietnamese coalition. This decade-long diplomatic and covert military support has been effective in denying an assured Vietnamese hegemony over the trans-Mekong area. Presently, with the major part of Vietnamese troops withdrawn from Cambodia, and Vietnam debilitated economically and isolated diplomatically, the equilibrium is being redressed.

An added sense of security was also obtained by bolstering the capability of the Thai military forces. Recognition of the vulnerability of the eastern flank, accentuated by the Vietnamese invasion of Cambodia, compelled a massive defence buildup in the ensuing years. Over the period, the First and Second Calvary divisions, the army's armoured divisions, have been fortified through the procurement of new and upgraded military hardware. These units are now capable of launching "cross border" attack into Laos and Cambodia. Though outside observers remain unsure of the military's actual operational strength, in view of

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the disappointing engagement at Ban Ramklao, there has been a resurgence of confidence among the Thai military leadership that, while remaining strategically on the defensive, they now possess offensive capabilities.

While enduring geographical factors underscore the continued importance of the trans-Mekong area to Thailand's national security, there is none the less, a growing conviction that, particularly in view of the Soviet disengagement, the threat from the east is no longer imminent. In early 1990, the then Foreign Minister Siddhi proclaimed that the Vietnamese threat had ended. This assessment was validated by General Chaovalit's unprecedented top-level military visit to Hanoi, under a nascent consensus which emerged within the Thai leadership with regard to Indochina. This more sanguinary assessment of Vietnam has been translated into plans for a comprehensive force reduction and redeployment from the Thai–Cambodian border since the end of 1987.

Security Implications

Though at present Thai initiatives amount to little more than economic opportunism, there are strategic implications that can be drawn. In spite of Bangkok's endorsement of the plan for a comprehensive settlement in Cambodia, the cordiality expressed by the Chatichai administration towards the Hun Sen regime was in effect an accorded recognition of Vietnam's political dominance over Cambodia. It was acquiescence, as has also been historically evident, of Vietnam's preponderant status in Indochina. Though Bangkok now aspires to a parity of role and influence, Vietnam is being viewed as the primary conduit to the rest of Indochina. As Information Deputy Director General Thawatikum posited, "to penetrate Indochina, we must penetrate Vietnam which is the 'big brother' in that region".[24] Likewise, an editorial in *Ban Muang* projected that "if trading with Vietnam goes smoothly, the doors to Cambodia and Laos will open".[25] Hence, while economic co-operation is being fostered with Laos and Cambodia, ultimately it is political co-existence with Vietnam that Bangkok must contend with.

Historically, it also appears that peaceful co-existence has been rare in Southeast Asia, especially among countries with common land borders. While bodies of water separating the insular states have allowed for some diffusion of friction, territorial contiguity among the mainland states makes for an overriding security preoccupation as much as it creates the propensity for trade. Granted, in the current context of stark power differentials — both economic and political — in the Indochina peninsula, the thrust of Thai capitalism is meeting with little resistance; it is even being solicited. Beleaguered as they are now without their sole benefactor,

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the Soviet Union, the three socialist states in the region are indeed looking towards Thailand as the logical window to the outside world.

As long as neither party is compelled towards a zero-sum security definition, the kind of *modus vivendi* that is being advocated between Bangkok and Hanoi is viable. From the Thai security perspective, the nature of economic relations that is contemplated with the neighbouring countries is such that, at best, Thailand would acquire political leverage. At worst, these states would stay in a weakened and subordinate position at least in the near future. In essence, what Vietnam has failed to complete (at least in Cambodia) through military measures may ultimately be achieved by Bangkok through economic avenues.

This stalemated equilibrium, however, rests primarily upon prevailing power differentials among the states in Southeast Asia. As has been observed of regional trends, weakness makes for stability as formerly competitive powers are not in any position to pursue their objectives. Bangkok's policy of coexistence, as Michael Leifer argues, "has been based on the premise that Vietnam has overreached herself and is, in effect, a tiger in distress. But if Vietnam emerges as a tiger rampant, the predicament of Thailand will enter a new phase".[26]

The new economic and political dynamism which Thailand is spearheading is part of the enabling process that will bring Vietnam out of its isolation, thereby ultimately strengthening it. On the economic front, it is already projected that Vietnam will emerge as a future competitor, particularly in the agricultural sector. To Thailand's Chao Praya, the Mekong Delta and the Red River basin are two of the most productive rice growing regions in the world. Despite the backwardness of its economy, Vietnam is already producing as much rice as Thailand. Vietnamese rice exports, as of mid-1989, reached 450,000 tons and were expected to reach approximately one million tons by the year's end.[27] At US$50 less per ton than the price of Thai rice, it is expected that the demand will increase, especially if facilitated by an easing political environment. If South Korea's purchases are a trend indicator, Vietnamese tapioca products could also be competitive with those of Thailand. On the strategic dimension, while the threat of outright aggression may have subsided, subversive networks remain a latent concern. There have been recent reports of resuscitated ties between the Communist Party of Thailand and the Vietnamese Communist Party, a relationship that had faltered in the 1970s. The threat of subversion will be of increasing saliency as Thailand confronts the internal challenges of poverty and uneven development, especially in the Northeast. As Beijing's relations with Yangon and Bangkok acquire a decidedly military dimension, Hanoi may turn to these interlinkages as possible counterweight and a measure of political insurance. In addition,

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the unsettling issues of the seventeen northeastern provinces, which Hanoi had referred to as "Lao provinces under Thai domination"[28] may emerge as a focus over which Thai–Vietnamese contest for control is played out.

Given the enduring dictates of geography, Vietnam's western flank continues to be of strategic importance to its security. It may be interesting, in this context, to posit that the recent retraction of the Phnom-Penh government on the issue of United Nations-administered elections in Cambodia ultimately reflects Hanoi's fears that it would set a precedence for similar political demands, particularly in southern Vietnam at a time when the leadership is still bracing for the unsettling ripple effects of the Eastern European experience. Thus, as long as Vietnam remains ideologically and structurally committed to the Leninist model of social organization, it will always be concerned with the socio-political implications of economic boom which could undermine the system upon which rests Vietnam's influence. This would be especially true if Thai economic penetration proceeds in its unstructured form, resulting in the kind of dissynchronization between economic realities and political agendas which has had adverse effects elsewhere in similar political systems.

The China Factor

In spite of the communist tradition, the classical Chinese conception of world order, seeing itself as the Middle Kingdom surrounded by inferior vassal states, still influences its approach to foreign policy in many aspects. In this sense, Southeast Asia would always be viewed as part of China's traditional sphere of influence. Within this overarching framework, however, there have been indications that China recognizes the security needs of the smaller states. These prerequisites, as in the case of Indochina, have to be met, at the very least, without direct or potential threat to the PRC, and at best with deference to the ultimate preponderance of China.

The dominant policy guideline towards Southeast Asia remains the classic divide-and-rule strategy, aiming primarily to deny advantage to the principal adversaries while according leverage to subordinating powers.[29] Thus, during the struggle against Western imperialism, from the late 1940s to the mid-1960s, Chinese support of revolutionary activities in Laos and Cambodia was marked by its tacit recognition of Vietnam's tutelage position. Efforts to cultivate direct ties with the Lao and Khmer communist movements thus came about only in the later period when Sino–Vietnamese relations were already strained and replaced by a new *rapprochement* between Moscow and Hanoi.

China's dissatisfaction over developments in Indochina stems fundamentally from Vietnam's seeming defiance of the PRC's claim to regional

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hegemony, made acute by Hanoi's quasi-military alliance with Moscow. With the Soviets in Cam Ranh Bay, China not only had to contend with a unified and defiant Vietnam but also with a sense of its own encirclement. As Michael Fox has argued:

> In the long term ... Vietnam may conclude that it is in her national interest to come to terms with China. It is in China's interest to force this realization upon the Vietnamese by whatever means possible. Hanoi must be brought to recognize that in the long term Moscow represents an insufficient guarantee for the pursuit of Vietnamese national frontiers; that whatever influence Vietnam wishes to exercise in Southeast Asia, especially in Indochina, must be with Beijing's consent.[30]

The PRC has actively sought to reinforce its regional credibility through diplomatic compliance on the Indochina issue, and particularly through normalized relations with Indonesia and Singapore in recent years. In this context, one of the most important political and strategic developments over the last decade has been the strengthened relationship between Beijing and Bangkok which figures very centrally in the efforts of the PRC to sustain a balance of power in the mainland. Through the common stand on the Cambodian conflict, the PRC has kept its interests aligned not only with Thailand but more importantly with other ASEAN states. In a region where the PRC is an important but highly suspected power, Thailand provides a legitimating avenue for China's involvement in regional affairs, just as the commonality of interest over Indochina has given Bangkok added insurance against Chinese threats.

Within almost a decade of this normalization, bilateral trade in the period 1975–79 grew 129-fold, based chiefly upon the impact of Chinese petroleum and the export of Thai agricultural products. Economic complementarity aside, the PRC has also effectively utilized economic measures for political ends. It was political considerations on the part of China which produced instances of voluntary adjustments in purchasing quotas. In 1985, China's willingness to absorb the additional 50,000 tons of Thai sugar helped significantly to alleviate a surplus problem.[31]

The bond is more than a commonality of political interests. In recent years, the military dimension in Thai–PRC relations has been emphasized through weapon sales at "friendship prices", resulting in a compromise on the initial US$557 million tank programme for a five-year period from 1986 to 1990. In May 1987, Thailand signed a weapons agreement for the purchase of more than a hundred Chinese T-69 MK-II tanks and several 410 YW-531 and T-63 MK-II armoured personnel carriers (APCs), and armoured cars. The military has also indicated interest in the purchase of

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F-7 and F-11 fighter planes.[32] Meanwhile, Bangkok is anticipating delivery of four new *Jianghu*-class frigates scheduled for 1991–92 which were procured at an economical price of less than US$70 million apiece. The package will include a helicopter-equipped *Jianghu* V version and a standard frigate equipped for training duties.[33] Given that the prospect of formal naval engagement remains slim and that the maritime tasks of the Thai navy remain confined largely to patrolling the territorial waters against piracy, illegal immigrants and such, these frigates would be more cost-effective and reliable than the higher class warships. Negotiations for the purchase of three export *Romeo* class submarines, moreover, are still in progress, deterred by the buyer's predicament between cost and quality.

Both in political and security terms, this co-operative relationship between Thailand and the PRC has been a source of some concern for the other ASEAN countries. In spite of the easing of relations, many still harbour strong reservations with regard to China's long-term intentions. Sino-Thai military relations are yet another source of uneasiness about the prospective change of power configurations in the region. Concern over the prospect of extended Chinese influence in Southeast Asia through its Bangkok connection was recently compounded by the report of a possible multi-million baht joint venture for the manufacturing of APCs for the domestic market and export. For the Southeast Asian countries already engaged in massive arms buildup, this move is viewed as Thailand's initial step towards establishing itself in the heavy arms export industry and China's attempt at enlarging the regional market for its armament exports.

Myanmar: The New Fulcrum in a New Axis?

One of the other significant factors in the changing dynamics of the mainland is Myanmar. Though espousing socialism, albeit "the Burmese Way", Myanmar had remained virtually autarkic in its foreign relations, seeking equidistance from all the major powers. It was the first non-communist nation to recognize the PRC, though it endorsed United Nations action in Korea.[34] In 1967, after the formation of ASEAN, Myanmar rejected the offer of membership, fearing that participation in this West-leaning organization would unnecessarily antagonize China. It remained outside even though since 1978 ASEAN has received tacit endorsement from the PRC because of the commonality of interests over Cambodia.

As in Indochina, economic incentives have paved the way for a changing relationship between Thailand and Myanmar. Initially an understanding primarily between the military leadership of both countries, this new-found co-operation has received subsequent official endorsement. On

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the economic front, co-operation between the two governments has taken the form of an agreement for the joint development of three hydro-electric projects, one of which could have a capacity of up to 6,000 megawatts.[35] Thai fishing companies have also been granted official fishing concessions in Myanmar waters, following the agreement in May 1989 which was to be the basis of joint ventures between Thai and Myanmar commercial interests.

One of the more significant developments in Thai–Myanmar relations, both in economic and political terms, has been the "open border" policy. It is Myanmar's teak forest which has commanded the most attention. High quality timber is found on the Myanmar side of the Salween River, on territories controlled by the Karen forces. Previously, this timber was cut and transported by elephants and floated downriver to Thai merchants. Such transactions have long been a lucrative source of revenue for the insurgent movement fighting against the central government. This arrangement, however, was altered in the recent past by the new-found symbiosis between Bangkok and Yangon, which in essence is a "marriage between security and business interests".[36] Faced with a stagnant economy — essentially a bankruptcy that leaves the nation with only US$28 million in reserve — the military government in Yangon has redirected its attention to recapturing the teak forests in an effort to regain an indispensable source of revenue that had previously alluded its control. From its new accommodationist posture towards Myanmar, Bangkok, on its part, is simultaneously undercutting its long-time support for the ethnic insurgents. After years of nurturing, Thai authorities issued a US$22,000 bounty on Khun Sa, leader of the Karen resistance forces. This was followed by a hot-pursuit operation in early 1982, conducted reportedly with signs of co-operation between the Thai and Myanmar military. Two Myanmar troop battalions were deployed to the area on the Myanmar side of Ban Hin, while Thai forces attacked Khun Sa's stronghold.[37]

The security implications of Thai–Myanmar co-operation have also generated adverse effects on Bangkok's treatment of dissident Myanmar students seeking sanctuaries along the border. In the past, the Thai approach to external security had always been based on a policy of risk-minimizing. While not overtly antagonistic to the central government, Bangkok had always cultivated the opposition forces as added safeguards in its relations with neighbouring countries.

In immediate terms, relations with Bangkok, from Yangon's perspective, yielded twofold benefits. Economically, it provided the ostracized regime in Myanmar with much needed revenue; ventures for teak extraction alone effectively infused the economy with an immediate US$51 million.[38] Moreover, continued trade, especially the unregulated trade, allowed for

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the inflow of much needed consumer goods that could serve to placate internal demands. Equally if not more significant, however, are the political benefits. To a regime that has been almost universally condemned for its atrocious domestic policies, Burma needs the legitimating effects that relations with Bangkok and other open societies could provide. When the United States insisted upon the embargo of Thai imports of raw materials from Myanmar, it was Thailand's Deputy Foreign Minister, Prapas, who urged the international community to "give [Yangon] a chance".[39] Furthermore, in the security realm, co-operation with the Thai military has enabled Yangon to deal with plaguing minority problems — a situation which has been a persistent economic and political problem for the central government.

Economically incapacitated and politically unstable, Myanmar presently poses no threat to Thailand, especially when its relatively greater preoccupation remains Vietnam. That is not to say, however, that Myanmar presents no security concern for Thailand. As China extends itself southward, Myanmar, like Laos, stands as a natural buffer. For this very reason, the stepped-up activities of the PRC in both countries are being closely monitored by Bangkok, which is responding with its own solicitation of the Saw Maung regime. In recent years, the volume of Sino–Myanmar economic interaction has surpassed that between Thailand and Myanmar, with an annual estimate of as much as US$1.5 billion. With tightened economic links between Hunan Province and the northern provinces of Myanmar, the PRC has acquired a quasi-economic hegemony over Upper Myanmar. Cheaper and of higher quality than locally produced goods, Chinese products are flooding the markets of Mandalay. As is being done in Laos, the volume of trade is being bolstered by concerted efforts to clear the trade routes on both sides of the border. Unlike the more individualistic Thai entrepreneurs, the Chinese approach is systematic and structured, with extensive economic intelligence networks put in place to monitor demands in the Myanmar markets.[40]

For the PRC, this economic linkage has an important strategic dimension. In the face of a changing power alignment between Thailand and Vietnam, China may be looking towards a greater hold on Myanmar (and to a similar extent Laos) as a deterrence to any prospective power consolidation on its southern border. With Myanmar economically and militarily dependent upon the PRC, China could remain poised at Thailand's western flank. On its part, Myanmar's security concerns over the Thai–Vietnamese rapprochement would also compel it towards closer relations with the PRC. In view of Vietnam's *de facto* political hegemony over Laos and Cambodia, Thailand, from Yangon's perspective, has now become the new buffer state. As the PRC becomes more accommodating of the regime in

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Yangon, its support for the Burma Communist Party (BCP) may be adversely affected, as it was with the now virtually defunct Thai Communist Party.

While economic exigencies have somewhat pried open Myanmar's hermitage, the security agenda remains the predominant concern of the military regime in Yangon which has long been accustomed to subordinating the economic welfare of the country to political considerations.

The spillover effects of the Saw Maung government's campaign to eliminate ethnic insurgents have been a source of tension in Thai–Myanmar relations. Indignation which came out of Bangkok echoed the traditional fears and distrust, a reminder of the fragility of this new *rapprochement*. In efforts to prevent further deterioration in this symbiotic arrangement, a hotline was established between Mae Sot and Myawaddy on 18 August 1989.[41]

The exercise of prudence is logical from Yangon's perspective not simply because of the historical antagonism, but because the roots of animosity remain. Much of the territorial dispute stands yet unresolved. Symbolically, the compromise struck over the building of the Friendship Bridge attests to this atmosphere of guarded *rapprochement*. While the project is to symbolize the new co-operative spirit, it is also to be at a different location on the Moei River because the original site, which was part of the controversial Asian Highway, was mutually unacceptable for security reasons.

The Security Implications of Economics

The new emphasis on economic imperatives does not necessarily bode well for inter-state relations. The pursuit of scarce economic resources has, in essence, broadened the national security perimeter, as access to needed resources itself becomes an essential prerequisite of national wealth. This expansion is not confined to territorial boundaries but to maritime ones as well. The need to access and manage scarce resources has compelled a reassessment of existing international maritime regimes. Progressive territorialization of the sea has engendered new imperatives for coastal and archipelagic states. The declaration — unilateral in many cases — of the Exclusive Economic Zone has meant a sudden expansion of territorial jurisdiction. ASEAN's proclamation of the 200-mile EEZ alone brought some 2.6 million square miles under state jurisdiction. The necessity for its defence consequently entails new requirements for the national navies. The Royal Malaysian Navy, for example, must be able to project its naval power not only onto the Andaman Sea but also to patrol some 3,000 kilometres away, around the Straits of Malacca up to the South China Sea.

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In addition, the new regime which is emerging from the U.N. Law of the Sea Convention of 1982 recognizes the authority of the coastal and archipelagic states over the management of marine resources within their territorial waters. Under the emerging maritime principle, those states without the means of harvesting their own resources can at least regulate the process of their exploitation. Given these added responsibilities, they must acquire a new capability not only to protect themselves in the quest for new resources and markets but also to safeguard their claims. As such, the current force buildup in Southeast Asia reflects new economic exigencies as it does changing political and military ones.

Previously neglected, even at the height of Western imperialism, the recent discoveries and projection of potential oil, gas and mineral deposits in the uninhabited islets in the South China Sea have fuelled a scramble for their acquisition. These islets have become the focus of multipartite disputes as a result of overlapping national claims. The recent interests expressed over the Spratly Islands attest to the militarizing implications of economic agendas. Prior to 1978, neither China nor Vietnam — the two claimant parties which have actually engaged in military confrontation – had devoted much of their resources to their naval programmes. Through Soviet military assistance which provided, among other things, missile-equipped fast-attack craft, Vietnam was able to acquire amphibious capability within a period of five years.

So far, ownership has largely been enforced *ipso facto*, which provides an even greater incentive for the claimant states to incrementally deploy their occupational forces. In recent years, intelligence reports have indicated that the occupying forces have hardened their defence fortifications. The Spratly Islands are now equipped with the infrastructure and facilities to accommodate short-distance take-off and landing aircraft.[42] Philippine sources have pinpointed that a 600-metre airstrip is located on one of the southernmost islands under Vietnamese control.[43] The governing assumption is that once there, other claimant parties can only forcefully dislodge them at grave political costs. In a region where security is founded on the equilibrium of power and where boundaries are in many cases artificial creations of colonial regimes, the application of force to settle territorial dispute is regarded as a dangerous precedence. As such, China's voting behaviour on the Persian Gulf crisis is being interpreted by some as the PRC reserving the right to use force at a later time.

The importance of the islets in the South China Sea extends beyond their economic potential. The islets also have significant geostrategic importance, particularly for the major powers — Japan, China, and the Soviet Union. Straddling as they do the gateway to the Indian and Pacific oceans, it is this strategic dimension which makes for greater complexity

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than devising equitable means for resource management. Lines of communication and guarantee of innocent passage are of fundamental security and economic importance to all countries relying upon access to the major straits and ocean bodies. As one of the world's most traversed paths, access is important for both surface ships and submarines. Given the prevailing ideological polarization of Southeast Asia, the overlapping claims acquire a strategic dimension. The incentive is made even greater for creeping annexation of these islands as they could serve as launching points for interdiction, deployment, or basic surveillance. The area north of the Natuna — one of the richest potential oil deposits — for instance, is also the physical converging point of two powerful regional states, Vietnam and Indonesia. Thus, while the proposal for joint development among the littoral states may resolve the economic issues, the security concerns are much more difficult to neutralize. Vietnam's determination to defend its claims in the South China Sea, for instance, can be measured by its readiness to engage in naval confrontation with the PRC, while still militarily over-extended in Cambodia. It is only to be presumed that a Vietnam, freed from the serious security constraints on the mainland, would extend itself into the South China Sea both for economic and strategic reasons. In turn, while it had made no claim to the Spratlys as it did to the Paracel Islands, the PRC had not renounced sovereignty rights over them. In fact, China had already advised the ASEAN claimants against seeking separate deals with Vietnam over the Spratlys.[44]

In this transitional period, perceptions and images are important. The flexing of political muscle is being manifested in the form of naval exercises conducted around the contested areas in the South China Sea. It is not insignificant that the largest Indonesian armed forces exercise was conducted in the South China Sea in March 1980, following the inconclusive negotiations between Vietnam and Indonesia over the demarcation of continental shelves. Likewise, following the first Soviet-Vietnamese amphibious exercise in 1984, the PRC, as a show of force, deployed 2,000 marine-strong amphibious landing ships to circumnavigate the Spratly Islands. Significantly, in July 1991, the exercise "Starfish 10/90", involving naval and air forces of the Five-Power Defence Arrangements (FPDA), was conducted in the South China Sea as well. While the United States and the Soviet Union are considering military reduction in the Asia–Pacific, Chinese strategic interests dictate a sustaining maritime presence. Towards this objective, the PRC has undertaken force modernization and expansion initiatives. The appointment of the chief of the submarine division to head the People's Liberation Army and Navy (PLAN) reflects the importance that is being attributed to the submarine programme. The upgrading of the *Romeo*-class vessels with underwater sensors, communications and

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navigational aids along with other improvements made on conventional and nuclear submarine fleets will significantly augment the navy's capacity to engage in submarine warfare, which had been its weakness. While the acquisition of in-flight refuelling capability was deterred by Japanese and American sensitivities, citing undue "strategic advantage", the PRC remains interested in the procurement of such a system as it will greatly enhance the range of ground attack aircraft.

In spite of prevailing weaknesses in the defence system, particularly in anti-submarine warfare and air defence power, it is quite evident that the PLAN has been effective in tackling some of the problems in logistics, co-ordination, and even power projection. The success with which the "Iwo Jima" exercise was conducted in 1986 at some 1,000 nautical miles from the Chinese coast reflects progress in inter-branch co-ordination. Such development has encouraged speculations that the Chinese navy is approximating "blue-water" capability, if it has not acquired it already. It was reported that at least one 15,000-men airlift division is capable of being deployed anywhere in China within twenty hours,[45] and that the 56,000 Navy Infantry, nine regiments of which have an amphibious role and are equipped with helicopters and missile systems, is combat ready for any operation in the South China Sea. Though primed for short-term, rapid strikes, the ability of the PRC naval forces to engage in protracted, faraway conflicts would remain limited without adequate air and logistical support. Given the eminent role of China in the regional power configuration, the process of its naval expansion is a development of significant interest to the Southeast Asian countries.

The South China Sea, however, is not the sole theatre of concern. For countries on mainland Southeast Asia, the Gulf of Thailand and the Andaman Sea are of more immediate preoccupation. Discovery of offshore oil and gas deposits in the Gulf of Thailand along with mineral deposits on the continental shelves have enhanced the area's strategic importance. Since scarce marine resources are no longer available in immediate waters, the strategic perimeters have significantly broadened. Thus, while previously Thai national security concerns have been focused primarily on land-based threats and will most likely continue to be so in the foreseeable future, the South China and Andaman seas have become of increasing importance to Thailand. Though not sources from which direct military threat would emanate, they are of strategic economic interest to Thailand. Security of the South China Sea, for example, will be of salient importance to Thailand's long-distance fishing industry.

The Andaman Sea, in turn, will acquire added importance with the completion of the Southern Seaboard Development Project. Resurrected by this vision of Thailand becoming the new regional "hub", the plan is

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to build a "land bridge" — of road, rail, and oil pipeline — which would connect two deep-sea ports and industrial estates in the Andaman Sea and the Gulf of Thailand. With ports at Krabi and Khanom, and support operations in cargo-packing and transmitting, this energy and trade-based "corridor of power"[46] would expedite maritime transportation between the Indian and Pacific oceans. This will, in effect, create an alternative route to the increasingly encumbered Straits of Malacca through which most of the oil supply is presently shipped. It is estimated that approximately 20 per cent of the oil traffic would be effectively diverted. Thailand, it is envisioned, will become the new "major gateway for international trade", not competing with but rather complementing Singapore's facilities.

As it stands, there are various impediments to the successful completion of this ambitious project, not the least of which is its current derailment by external and domestic political developments. Backed chiefly by Kuwaiti finance, the war in the Persian Gulf and the ensuing economic consequences have presented a serious setback. In addition, with charges of corruption, the new government in Bangkok has already decreed that many infrastructural projects, particularly those sanctioned by the Chatichai administration, are to be placed under review, an initiative that could further undermine progress.

Such developments will also necessitate extended naval defence responsibility. With the development of the Eastern Seaboard, it was feared that the natural gas platform would invite Soviet focus on the Gulf of Thailand. This concern was compounded by the potential implications of a Soviet buildup at the deep-water port of Kompong Som and the Ream naval base in Cambodia. As a result, the 1989 budget submitted by the Royal Thai Navy for the total defence of the Eastern Seaboard was 20,000 million baht. With the development of the Southern Seaboard, the requirement is, in fact, a two-ocean navy with all the concomitant budgetary burdens.

With the retraction of Soviet pressure from Cam Ranh Bay, Bangkok's attention is undoubtedly on India which has been engaged in a dialogue with Vietnam over the use of Cam Ranh Bay, a proposition which may be tempting to Hanoi as it faces the need to generate revenue in the light of diminishing Soviet subsidies.[47] Given the competing claims that exist on the western continental shelves, it is essential that the Thai Navy has the power projection capability that would extend to the Andaman Sea. In December 1988, the Thai Navy Commander-in-Chief announced preparations for a naval base at Phang-Nga on the southwestern coast. The reason cited was logistical expediency as it would obviate the need for the coastguard to sail from the Gulf of Thailand through the Straits of Malacca simply to reach the Andaman Sea. The base would also be

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an important staging point for engagements in the Straits of Malacca, providing essential surveillance facilities for monitoring the activities of surface ships and submarines in the Straits (which enjoys endorsement from the United States).[48]

Thai Naval Defence Buildup

Altercations at sea, such as had erupted between the Myanmar authorities and Thai fishermen in the Andaman Sea,[49] further emphasize the importance of the western sea outlet. Similar incidents elsewhere had been sufficiently grave to disrupt the newly thawing relations between Yangon and Bangkok. As long as the international regime governing offshore resources remains unchartered, the occasions for such disputes will always arise, with potential for escalation.

Guaranteeing access to resources has become just as vital as the actual defence of national resources. As a result of this strategic reassessment, a series of efforts have been made to expand and modernize the Thai naval force. The navy had contracted an Italian shipyard for the construction of three *Sattahip*-class fast patrol boats, while the Tacoma shipyard was contracted in 1983 for the construction of two corvettes, expected to be the most powerfully armed vessels in the entire Southeast Asian fleet. Delivery is also expected of an F-27 maritime patrol aircraft and three Dornier DO-228 aircraft in 1991. It is also projected that two submarines will be added to the fleet, possibly to be supplied by China. With the purchase of six *Harpoon* missiles in 1988, Thailand's *Fokker* F-27 maritime patrol aircraft are now equipped with air-launched capabilities. Moreover, the Exocet coastal defence missiles will be added to the arsenal of sophisticated missile capabilities. Bangkok is also seeking to increase combat capabilities by establishing a naval airwing, which would provide concerted operation with the surface fleet. Enhanced air security over the Gulf of Thailand and the Andaman Sea would require the acquisition of advanced radar equipment and multi-purpose jet fighter aircraft. Procurement of the F-16s was aimed at fulfilling this objective. Thailand has also expressed interest in the Grumman E2C *Hawkeye* early warning system already in service in Singapore.

Most of the acquisition falls along the line of system modernization, as determined by technological obsolescence. The greater controversy, however, revolves around the Thai procurement plan for a helicopter carrier whose role and configuration remain unclear. In view of the de-escalating threat from the Moscow–Hanoi axis, and that the potential threat from India remains as yet unfounded, such procurement may simply be of an image-enhancing purpose and reflective of inter-service budget

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competition. So far, it is only known that the Thai Government is studying designs from an Italian and a West German shipyard, of which Italy's Fincantieri Company is experienced in the construction of amphibious support ships of similar size.

While systematic uncertainties have provided a strategic imperative for the so-called regional "arms race", factors such as the newly enhanced purchasing power of the Southeast Asian countries as a result of the economic boom have also contributed to this accelerated procurement drive. Moreover, as yet another paradox of *realpolitik*, developments in Eastern Europe and the accompanying Europe-based conventional force reduction have enabled smaller countries such as Thailand to enhance their arsenal cost-effectively, as indicated by Bangkok's procurement of 650 used tanks at 5 per cent of the original price.

Conclusion

There is re-emphasis upon economics as an underpinning of regional peace in the age of ideological decline. From the emergence of economic growth triangles to the formation of regional trading blocs, economic motivations have gained a new centrality as a determinant of inter-state relations. Particularly in a regional context, such as Southeast Asia, where the broader defence considerations often lie beyond the immediate capability of the individual state, the economic arenas present themselves as the realm of greater manoeuvrability, and a forum for greater self-assertion on the part of the militarily less powerful states.

It is thus that trade is the voice of the "New Diplomacy", providing the fulcrum for changing power alignment in the region. Economic motivations have laid the basis for a new understanding between a formerly frontline state, Thailand, and the states of Indochina. Economic incentives, likewise, have not only imposed a relatively more outward-looking tendency on Yangon but have also refocused the attention of the foreign business community onto Myanmar.

As Thailand consolidates its economic sphere of influence in Indochina and Myanmar, it will give rise to a natural, loosely structured divide between the mainland, where Thailand is clearly the preponderant power, and the rest of Southeast Asia. Given continued economic vibrancy and political stability, it is likely that Bangkok will, in effect, serve as the "overland traffic base" through which capital, technology, and reconstruction aid can flow into Indochina in the event of peace. With renewed economic activities on the mainland coinciding with the growing saturation of economic traffic through the Malacca Straits, Thailand will become the new "hub" in the region.

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As it is structured, however, economic linkages between Thailand and the weaker neighbours are guided primarily by short-term extractive objectives. Refuting charges of neo-colonialism, Prime Minister Chatichai confidently asserted that "the peoples of Vietnam, Laos and Kampuchea won't let that happen. They are very nationalistic and will never allow Thailand to exploit or dominate them — economically anyway".[50] It was a confidence not borne by the reality of the situation. The massive logging in Cambodia is being conducted under conditions that make impossible any overall national policy of reforestation or ecological preservation. In this sense, Cambodia is in a worse position than Laos, Vietnam and Myanmar where the existence of a cohesive government makes possible such national defence. Without a comprehensive settlement, economic recovery for Cambodia can only be in faltering increments, at best allowing the country to register some signs of economic recovery, but with no overall development. In this sense, the country's economic future remains hinged on politics as foreign economic interests may be poised at the door but will not venture forth until there is political stability at hand.

Moreover, given the incipient nature of institutionalized co-operation, corruption flourishes. In the case of Myanmar, fishing concessions reportedly have been resold at exorbitant prices, which has compelled fishermen with low harvests from the designated areas to trespass into non-concessional areas. The arrests and penalization have resulted in several setbacks in the *rapprochement* between Thailand and Myanmar.

There is, none the less, a strong basis for enduring co-operation among the states of Southeast Asia. Rather than emerging as a potential regional divide, Thailand could serve as a logical bridge between the less developed and cloistered states of Indochina and Myanmar and the ASEAN countries. In this sense, there is much insight in the following editorial comment in the *Nation*:

> The real test of Thailand's economic power and business acumen will come when other nations in the Western world jump on the bandwagon to open Indochina and compete for business opportunities. The Thais already have a head start but what will keep them ahead of the pack is not selfish exploitation of natural resources in Indochina, but genuine goodwill to help our neighbours in Indochina catch up with the rest of Southeast Asia's economic development.[51]

The great challenge for the coming decade is not to promote dependency but interdependence and, as such, must proceed with the spirit of shared objectives among sovereign equals. There is, thus, a wider application for the following insight offered by a Thai scholar:

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> . . . the notion (that Laos is weak and vulnerable) has made the Thais feel it their duty to control the situation in Laos . . . . The feeling that Laos is for Thailand to have and to own has also to be shed before Thailand is able to pursue positive relations with its close neighbours.[53]

It is to be noted that in spite of existing affinities, the mainland states at various junctures had stood rather estranged from each other. In the post-independence period, political divergencies have often stood as impediments to closer co-operation, not the least of which was the last decade and a half of virtual segregation of Southeast Asia into ideological camps. This absence of contact, along with the historical experiences of conquest and subjugation, fostered misconceptions and national complexes that invariably carried over into present-day relations. As long as these attitudinal legacies of national and cultural egoism persist, no true spirit of co-operation can flourish. Regional peace and development necessitates the integration of the presently weakened and cloistered states of Indochina and Myanmar into the broader community of nation-states with economic and political ties that extend beyond the monopoly of any one or two preponderant states.

Given the differing levels of economic development, there are real prospects for mutual assistance in the form of the transfer of technology and technical knowledge between the more developed states of ASEAN and the other countries of Southeast Asia.

Through interconnections and diversification of partnerships, ASEAN can now realize some aspects of the principle of economic co-operation which was its initial inspiration. However, as long as some of these countries adhere to the Leninist order which fears the political consequence of economic liberalization, such integration, as is proposed, will never be completed.

While economics have gained added emphasis as a determinant of inter-state relations, the more intractable impediments remain political. Overall, however, it is unlikely that in the near future apocalyptic changes would unfold in the power configurations of inter-state relations in Southeast Asia. Security threats remain yet in their amorphous state. As such, the flurry of activities, on both economic and military fronts, reflects not the impending eruption of conflict but the disorderly atmosphere associated with a transitional era in history.

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Ending an Armed Struggle Without Surrender: The Demise of the Communist Party of Malaya (1979–89) and the Aftermath

LEONARD C. SEBASTIAN

The dramatic changes in the communist world have had a profound effect on domestic communist movements in Southeast Asia. The formal conclusion of the four-decade-long communist insurgency in Malaysia is not only an implicit reflection of these realities, but more importantly, it indicates that developing countries can combat such insurgencies through the effective use of diplomacy, military strategy and rural development policies. The ex-communists and their intrepid leader, Chin Peng, have vowed to carry on their political struggle through legal channels. With their possible return to open politics in the near future, Malaysia is on the threshold of a new era in its political evolution. The article focuses on the last ten years of the waning communist insurgency. It probes and analyses the significant events of this period that led to the demise of the Communist Party of Malaya and raises questions regarding its future role in Malaysian politics.

On 2 December 1989, one of the oldest communist parties in the region, the outlawed Communist Party of Malaya (CPM), which had waged a guerrilla insurgency for four decades, signed a peace accord with Malaysia and Thailand, to formally declare an end to its armed struggle.[1] The historic event marked the end of a long era of bloodshed. Besides the loss of countless lives of soldiers (Thai and Malaysian), and the communist guerrillas, civilians on both sides of the border also suffered. The demise of the CPM can be placed in perspective when one views the tumultuous

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changes that have taken place in the communist world since the mid-eighties. The CPM, under the leadership of the battle-hardened Chin Peng,[2] had come to grips with global changes and the tough reality that the party could not achieve its political objectives through the barrel of a gun.

This study is an attempt to plot the demise of the CPM and to predict the possible future role of its ex-members in Malaysian politics. It begins with a brief analysis of the history of the CPM and then proceeds to indicate when Party disunity surfaced and its consequences. It continues by discussing the tactics and strategy of the CPM and why they failed to make an impact. One of the reasons why the CPM's strategies failed to succeed was the presence of a formidable new player, Thailand, and to a lesser extent, the lack of material support from China. An attempt will also be made to understand the nature of Malaysian foreign policy towards these two countries and its subsequent influence on the communist insurgency. The study will then analyse the tactics and strategy of both the Thai and Malaysian authorities in successfully combatting the communist insurgents. Failure on the battlefield and subsequent defections significantly weakened the CPM and forced it to move to a more conciliatory stance. The study then shifts to the peace negotiations and the terms of the ensuing peace accord, including an analysis of its application by the parties concerned. In concluding, an attempt will be made to predict the possible role and political strategy of Chin Peng when and if he eventually returns to Malaysia.

Brief History of the CPM

Known originally as the Nanyang Communist Party, the CPM was established in Malaya in 1929. Its role was limited until the outbreak of World War II when it formed the Malayan People's Anti-Japanese Army to fight the Japanese occupation forces. At the end of the war and the return of British colonial rule, the CPM was legally recognized as a political party, but conflict eventually developed with the British rulers. The CPM was accused of breaching an agreement with Britain for refusing to surrender its arms and for continuing subversive activities.

In 1948, the CPM set up the Malayan People's Anti-British Army and launched a guerrilla war against the British. About 95 per cent of its fighting force, numbering between 4,000 and 5,000, were Chinese. A nation-wide emergency was declared in June 1948 as the situation worsened. It was not until seven years later that peace talks were held between Chin Peng and the then Malayan Chief Minister, Tunku Abdul Rahman, in Baling, Kedah.

The talks ended in deadlock as Britain refused to recognize the CPM's

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legitimacy. The guerrillas then retreated to the jungle to fight what they called a "liberation war" against the British colonialists. Although Malaya achieved full independence in 1957, the CPM continued its armed insurgency, claiming that the Malayan Government was merely a puppet regime of Britain.

The emergency was formally declared to be over in 1960 and a mopping-up campaign was mounted against the remaining guerrillas. Defeated politically and militarily, Chin Peng fled to the jungle at the Thai-Malaysian border with 500 armed men. The CPM's strength had been reduced from the original twelve regiments to only three — the 8th, 10th and 12th regiments. Operating from bases inside Thailand and on the common border, with funds extorted from local villagers, the CPM occasionally managed to carry out terrorist activities in Malaysia. Major incidents included the bombing of the National Monument on 26 August 1975; the bombing of the Police Field Force Command Headquarters; and the assassination of the Inspector-General of Police, all in the same year.

Apart from the few terrorist incidents, the CPM hardly posed a real security threat to both Bangkok and Kuala Lumpur. But its extortion of illegal tax and intimidation created hardship for the civilian population along the border.

Collapse of Party Unity

The first cracks within the CPM rank-and-file were reported in 1970, when the party's North Malaya Political Bureau ordered the elimination of some forty members of the 8th Regiment, accusing them of being government spies. Aik Chiang, the regiment commander, refused to comply and lied to the Bureau that he had carried out the order. Eventually, his command was attacked by Thai Government forces, prompting him to suspect that someone in the Bureau might have tipped off government officials on the whereabouts of his base. The camp was later evacuated. Two months later, Ar Chuan, a senior cadre of the Bureau, led a team of fifteen guerrillas to visit Aik Chiang's new camp with the intention of bringing the 8th Regiment back under the party's control. A dispute ensued which led to the killing of Ar Chuan and all his men. Subsequently, the 8th Regiment declared its independence from the party's command in February 1970 and this led to the formation of the CPM Revolutionary Faction (CPM-RF).

In 1974, the CPM's Zone Two (12th Regiment) split from the party's main line and called itself the CPM's Marxist-Leninist faction (CPM-ML). Although internally divided, the communist forces never gave up, and from their sanctuaries deep in the jungles where southern Thailand borders Malaysia, particularly the Betong Salient which juts into Malaysia, they

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gradually regained strength.[3] By the end of 1979, there were approximately 3,000 insurgents in the Betong Salient and the Thai border province of Narathiwat.[4]

The early eighties saw the communist terrorists step up their attacks at the Thai–Malaysian border because they feared they were losing credibility among their supporters. The Commander of the 10th Malaysian Infantry Brigade, Brigadier-General Chong Thean Bok, was quoted as saying that the communists began losing credibility ever since the Pattani United Liberation Organization (PULO), a group which was fighting for independence from Thailand, began its activities in the border areas. It was believed that PULO had gained the support of the Betong people at the expense of the communists. To recoup their lost support, the communists had boasted to the Betong masses, from whom they obtained financial and other forms of support, that they would kill government troops and seize their weapons. Hence, the spate of attacks on Malaysian border posts.[5] The tactic apparently did not work. It proved to be a bane to the communist cause as it crippled the economy of the border towns by deterring tourists from visiting the areas, thus causing immense hardship to the local residents and severely curtailing the amount of material and financial aid the communists could extract.

The Fissures Deepen as a New Party Emerges

Fears of a communist resurgence posing a new security threat were highlighted in a statement made by the then Home Affairs Minister, Datuk Musa Hitam, over the formation of a new Communist Party by the two breakaway factions of the CPM. The new party, called the Communist Party of Malaysia (CPMal) was the result of a merger between the CPM-RF and the CPM-ML in south Thailand on 5 December 1983. It represented a communist attempt to pool their depleting resources and to reorganize their strategy by placing greater emphasis on united front organizations. The authorities feared that this tactic would prove more dangerous than armed struggle because it meant that subversive elements would try to infiltrate legitimate organizations. Datuk Musa also stressed that the organization's new name indicated that the communists now recognized Malaysia as an independent sovereign nation. He added: "The new name is also to convey to the *rakyat* the message that the communist struggle is supposedly in tandem with the current situation and is accepted by the multi-racial members of society. The *rakyat* is also being given the impression that the communist struggle is their (Malaysian) struggle and can, therefore, guarantee their future."[6] There was fear that

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the new party was likely to be more aggressive in order to show that it had greater influence than the CPM under Chin Peng.

The threat, however, never materialized. The merger was probably an attempt by the breakaway factions to prevent themselves from completely disintegrating as a cohesive fighting force. If the merger was perceived as a possible source of political instability by the Malaysian authorities, it soon became clear that this incident was to have ominous consequences for the communist movement as a whole.

Following its breakaway from the CPM, the two parties had frequently condemned Chin Peng as a "counter-revolutionary" and a "revisionist" who had lost his right to lead the communist struggle. The emergence of the CPMal seemed to be proof that the Marxist-Leninist and the Revolutionary factions would never rejoin the CPM proper under Chin Peng and that the split in the CPM was not only increasing but could also not be controlled. The situation reflected the seriousness of the friction between Chin Peng and the other leaders of the communist movement.

In the event, the CPMal never showed its mettle. Its inability to mount a major offensive proved that it was organizationally weak. The fact that there was no increase in guerrilla activity despite the merger enabled analysts to conclude that fears of a renewed threat were unfounded and that the entire exercise was merely one of propaganda.[7]

The Malay Dilemma

The biggest problem facing the communist movement was its inability to gain new Malay converts. With its veteran Malay leaders no longer able to secure the support of a younger generation of Malays, the CPM was in dire straits. Without Malay members, its aims could not be fulfilled. It needed to come up with effective strategies to win young Malays to its cause and in the process rejuvenate the party by replacing its ageing Malay members. Datuk Musa Hitam pinpointed three strategies the CPM had adopted towards this end. They were to:

> Set up a front to be called the Malay National Revolutionary Party (MNRP) to attract Malay nationalists; upgrade the standard of their radio broadcasts and propaganda through pamphlets which used Bahasa Malaysia and Islam to make it appear they were written by Malays; and exploit anti-government feelings prompted by communal sentiments by arousing hatred, fear and dissatisfaction among Malays on the economy and religion.[8]

Confirmation that the CPM had indeed formed a new Malay wing — the National Malay Revolutionary Party of Malaya (NMRPM) — was given

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at the end of November 1984 by the then Deputy Home Affairs Minister, Radzi Tan Sri Sheikh Ahmad. With the new wing, the CPM believed it could exploit religious sentiments being spread by Muslim extremists and fanatics.[9] It hoped to make use of deviationist teachings spread by religious extremists to gain power. This strategy came about through the realization that Islam and the unity of the Malays were intertwined and could in itself provide the strongest bulwark against subversive communist influence. To avoid this, the CPM sought the support of groups which allegedly championed the Islamic cause.[10] The Malaysian Government countered this problem by releasing a White Paper in December 1984 entitled *Threat to the Unity of Muslims and the Nation's Security*. Its purpose was to explain the activities of certain individuals and groups who had been exploiting religious issues. The key aim was to highlight the attempts made by communists to take advantage of what was seen as a split among the Malays.

While the CPM's new initiative among the Malay population testified to its ability to maintain a propaganda war, much to the government's concern,[11] its dwindling numbers forced it to keep a low profile in the armed struggle. To make matters worse, its prestige was severely dented when it was reported that the communists were engaged in drug smuggling at the Thai–Malaysian border.[12]

Army successes, lack of civilian support, mass surrenders and old age were beginning to take their toll on the communist guerrillas. Security forces had cut off their underground support network and curbed their activities. Soon, it became evident that the CPMal was experiencing an internal power crisis over its leadership and command structure. This problem paralysed it considerably and made it impossible for the CPMal to show its strength.[13]

By 1985, remnants of a once strong communist force were scattered in small numbers operating in the northwest states of Kedah and Perak, and Kelantan and Pahang in the east. This elusive band survived by extorting food and money from plantation workers and settlers in remote areas. Isolated, they were unable to promote and mobilize cadres to the communist cause effectively. By 1985, the more pragmatic elements of the communist movement had been forced to reconsider their position and moved to a more conciliatory stance.

Malaysian Foreign Policy and the Communist Insurgency

Any study of the defeat of the communist movement in Malaysia during this period must take into account the diplomatic initiatives taken by the Malaysian Government to deprive the CPM of external support from

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China, and its attempt to tighten the nooze on the waning communist movement by strengthening bilateral military co-operation between Thailand and itself.

Sino-Malaysian Relations

Since 1974, when diplomatic relations with Malaysia were normalized, Beijing, while never abandoning its moral support for the CPM, had shown increasing interest in establishing friendly ties with the Southeast Asian states, and accordingly, took steps to end material aid to the CPM. Further significant events were to follow. In 1980, the "Voice of Malayan Democracy", as it was then called, closed its radio station in Yunnan, south China, and shifted its operations to Thailand. Furthermore, it became evident that the Chinese Communist Party (CCP) had decided not to give prominence to speeches of CPM leaders in its newspapers.

In February 1984, the then Chinese Foreign Minister, Wu Xueqian, stated that Beijing's ties with the CPM were merely fraternal but it could not cut them off completely as it was the policy of the CCP to keep links with political parties with the same beliefs. But, in the same breath, he referred to a recent policy speech by the then CCP secretary-general Hu Yaobang that pro-Beijing communist parties outside China would now have to operate on their own. His response indicated the dilemma China faced in trying to strike a balance between ideology and pragmatism.

However, as long as the CPM existed, it served as a reminder to Beijing that the CPM thorn would still hamper bilateral relations between the two countries. Emphasizing the Malaysian position at the end of Wu's visit, then Foreign Minister Tan Sri Ghazali Shafie said of the CPM problem: "We (Malaysia and China) understood each other and both resolved to remove this obstacle even if it takes time as this problem is wedded to time." By acknowledging that the CPM problem was "wedded to time", China indicated implicitly that it was willing to let the weakening CPM die a natural death.[14]

By the end of 1985, Prime Minister Datuk Seri Dr Mahathir Mohamad could acknowledge that the CPM threat had become a peripheral issue. In responding to a question on the threat posed by the CPM at a press conference in Beijing in December 1985, Dr Mahathir raised a few eyebrows when he stated that Malaysia and China "can get around such minor problems". He stressed that he accepted China's assurance that Beijing would not back communist terrorists in Malaysia.[15]

It cannot be denied that China had taken steps to decrease its involvement with parties such as the CPM, but it is open to debate whether such moves were based on a genuine change of heart or mere expediency.

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The crux of the matter was China's credibility. After its negative involvement in the region, Beijing needed to convince the countries of Southeast Asia in tangible ways that its attitude had changed and that it was prepared to make a clean break with its past. For pragmatic purposes, it was necessary to allow the CPM to be marginalized naturally. The prize was the prospect of expanded relations between Malaysia and China, particularly in the area of economic co-operation. It is probably true to say that Beijing hoped that such a change would serve as a valuable confidence building factor in its relationship with the countries of the region.

Thai-Malaysian Relations

The CPM had become a Thai security problem ever since the British, through a combination of controlling the population by rounding up rural people in fenced-in new villages and psychological measures, such as dropping leaflets into the jungle encouraging the communists to surrender, forced the CPM further into the jungle and to the border region by 1954. By the late fifties, Chin Peng had moved his base from Pahang to south Thailand.

The impact of the guerrillas on the border had been kept in check since Malaysia and Thailand agreed on combined military operations. A border co-operation agreement, signed in March 1961, formalized an earlier agreement and allowed some units of the Malaysian Police Field Force (PFF) to co-ordinate operations with their Thai counterparts and operate jointly in parts of the communist-infested Betong Salient. The agreement also paved the way for the formation of the ministerial-level General Border Committee (GBC), which meets annually, and the Regional Border Committee (RBC), headed by the respective army commanders in the region, which meets twice a year. In addition, the responsibility for looking after the permanent stationing of Malaysian intelligence officials and the co-ordination of army personnel on the Thai side of the border became part of the RBC headquarters' portfolio. Following some differences over the stationing of PFF detachments in Betong that surfaced during the period of the Thai civilian government in 1976, the two countries signed a new border agreement in 1977 that gave the right of pursuit 20 kilometres into each other's territory. With these major bureaucratic problems ironed out, Malaysia and Thailand stepped up the war against the communists along the border.

These operations dislodged communist units from their sanctuaries and base areas, cut supply links, and reduced the extent of their work among the people. Military operations against the guerrillas were also supplemented by psychological warfare. Leaflets in Thai, Chinese and

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Malay were dropped over the border area promising good treatment and rewards to those who surrendered. The utility of military co-operation was also carried over into the socio-economic sector. The aim was essentially to reach out to the demoralized and wavering communist terrorists with the aim of enticing them to quit the armed struggle. Both governments also resolved to win the "hearts and minds" of the people in the border areas by promising to improve their living conditions, by building more schools, clinics, civic centres, roads, and bridges. It was the aspiration of both governments not only to improve relations between the peoples of the two countries but also to reinforce the idea that economic development ultimately would be the best measure to refute communist blandishments and propaganda about the supposed iniquities of their societies.[16]

In June 1982, Malaysia and Thailand also agreed to co-operate on economic projects along their common border. Both governments understood that they could not divorce security from the socio-economic well-being of their peoples, or else they would fall prey to communist propaganda. Examples of such projects included the development of the Golok river basin, which borders southern Thailand, and joint exploration of mineral deposits along the border. The then Malaysian Deputy Prime Minister, Datuk Musa Hitam, laid stress on the "concept of balanced development". This called for equal development and concern for the well-being of people living on both sides of the border so that the people living on one side would not be relatively less happy and less satisfied than the people on the other side. It was realized that accelerated and balanced development of the border area was the best way to combat the communists.[17]

By the early eighties, it had become clear that nearly half of the CPM members were of Thai origin. The Thai authorities felt that as Thai elements in the CPM slowly outnumber and replace the ageing Malaysian elements within the organization, the CPM would increasingly become a direct threat to the security of Thailand itself. With this in mind, the Thai authorities took up the cudgels on behalf of their Malaysian counterparts and sought through unilateral initiatives to bring an end to the prolonged insurgency movement.

Initial Truce Talks

The Thai Government had scored successes in crushing the Communist Party of Thailand (CPT) and the separatists with the introduction of Order 66/23, which offered amnesty to the communists and bandits, while hitting hard at the hardliners. Thus, the focus was later shifted to the CPM. From 1981, suppression drives were launched in earnest against

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the CPM guerrillas. A big breakthrough was made in August 1982 when government forces captured the 8th Regiment's main camp at Khao Nam Kang, which had a honeycomb of tunnels, underground accommodation and bunkers.

In line with the government's 66/23 amnesty programme, informal truce talks were under way between the CPM guerrillas and Thai army emissaries as early as 1985. The key figure in the peace talks was Major-General Kitti Rattanachaya, then commander of the fifth division of Thailand's Fourth Army Region, the regional army command responsible for southern Thailand. The Thai army negotiators stressed that the guerrillas must unconditionally lay down their arms and surrender to the authorities. The guerrillas were persuaded to comply or else large-scale operations would be mounted against them.[18] The communists insisted that they would never lay down their arms if an unconditional surrender was to be the ultimate goal. Subsequent talks failed to make significant progress owing to this problematic issue. Nevertheless, to their credit, the Thai authorities persevered, seeing tremendous potential in the amnesty option.[19] The Thai authorities also urged their Malaysian counterparts in January 1987 to consider using amnesty as an instrument to eliminate the communist insurgency.[20]

Initially, progress was slow. Nevertheless, the occurrence of several minor defections indicated that the programme had tremendous potential. The big breakthrough came in April 1987. A lengthy period of painstaking negotiations finally bore fruit. First, a band of 114 members of the CPM-RF surrendered to Thai security forces. This was followed by a mass surrender of 500 to 700 armed guerrillas of the CPM-ML, together with its leader Chong Chung Man. At that time this act of surrender was considered the most severe blow to the communist organization.[21]

The Thai Government, through the then Army Supreme Commander, General Chaovalit Yongchaiyuth, reassured the ex-CPM insurgents who had surrendered that they would not abandon them and would help them financially to cope with any difficulties in the first stages of their legal settlement. He assured the ex-guerrillas that they would not be forcibly repatriated to Malaysia. Thai troops, nevertheless, kept up the pressure by continuing their artillery-supported search-and-destroy operations against the CPM remnants in the hope that the increased pressure would "convince" the remaining insurgents to come to a political agreement for their surrender.[22]

If the Thai authorities were optimistic over the possible end of the insurgency, their Malaysian counterparts continued to give unenthusiastic assessments of the Thai army's successful efforts to persuade terrorists to surrender. The tendency was to be more vigilant, fearing that the CPM

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proper would take over areas vacated by the CPM-RF and CPM-ML, mainly in the border regions of Perlis, Kedah and north Perak.[23]

Unlike the Thai authorities, the Malaysian Government had no plans for an amnesty programme. According to Deputy Defence Minister, Datuk Abang Abu Bakar Mustapha, the military would go all out to fight the terrorists who posed a threat to national security. He stressed his point succinctly: "the choice is clear for them — surrender to the armed forces through the normal procedures or be killed".[24]

Both countries approached the problems from different perspectives. The Thais were inclined to use jugular diplomacy, that is, the combination of negotiation with suppression drives, whilst the Malaysians went headlong into a war of attrition against the communists. Caught in a vice-like grip between the two powers, and sensing that there was no escape, the communists turned to the Thais who promised amnesty and resettlement for those who surrendered.

By the end of August 1987, the CPM's 10th and 12th Regiments were considering the "honourable surrender terms" proposed by the Thai army. Negotiations were carried out in a straight-forward and open manner. If no headway was made in the peace talks, the army resorted to military pressure on the guerrillas to speed up results at the negotiation table.[25]

Malaysia, on the other hand, was embroiled in a war of attrition with the CPM. The Malaysian army programme was geared towards constant harassment by government troops to disrupt the CPM's food and supply lines and upset its recruitment strategies. Malaysian officials expressed scepticism over Bangkok's amnesty offer as they feared it might be used by the CPM to shed old and sick terrorists, making the CPM a better fighting force.[26]

For Malaysia, the trauma of having to battle a four-decade-long insurgency had left it with deep scars. The communist violence that erupted periodically during the past forty years clearly had a psychological impact on the minds of Malaysian politicians. Their statements on the CPM have to be considered in the context of a turbulent post-war Malaya where the communist legacy was one of fear, hardship and violence.

Although commending Thailand on their amnesty programme, Defence Minister, Tengku Ahmad Rithaudeen, stated that Malaysia had its own programme regarding the surrender of the communists. "We have our own way and style. They can surrender to the Malaysian authorities but they will have to undergo a rehabilitation programme", he said.[27] A pardon or amnesty was out of the question and communists could only return to Malaysian society after a specified period of rehabilitation.[28] Prime Minister Datuk Seri Dr Mahathir Mohamad stressed in the Dewan Rakyat (Parliament) that communist leaders who claim they had repented

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and want to return to society must first pay for their crimes.[29] He said the government could not accept at face value their claims that they had given up their struggle to overthrow the government. He emphasized that these leaders were responsible for the killings of security personnel and innocent people plus the destruction of property and would, therefore, have to undergo the due process of the law. "If other people commit such crimes, they are prosecuted and jailed or even hanged. We cannot accept them (communists) back just like that", he said. He confirmed that all such communists would first be held at detention camps to rehabilitate them and ensure they had given up their communist leanings.[30] It became clear that the Thais considered the communists political prisoners, while the Malaysians accorded the communists the same status as common criminals. While the Malaysians singled out the communist leaders for special treatment, the Thais did not make any such distinction in their amnesty programme. Despite the communist threat being on the wane, historical and political considerations weighed heavily on the minds of Malaysian politicians and forced them to take a rigid stance.

The End in Sight

In December 1988, after more than a year of negotiations, Major-General Kitti Rattanachaya confirmed that 1,000 CPM guerrillas and their families were to leave their sanctuaries in southern Thailand and give up their armed struggle. The Thai authorities were careful to avoid using the word "surrender" since the communists would not be taken into custody and would not be considered prisoners. They were expected to lay down their arms in an official ceremony in January 1989. Major-General Kitti added that a high-ranking CPM leader had flown in from Beijing to negotiate the terms for the laying down of arms. Nothing concrete materialized from these negotiations.[31] Nevertheless, as the hardliners had stated that they were ready to negotiate, military action against the communists was suspended in February 1989.

Because Kuala Lumpur had refused to deal directly with the communists, the task of negotiating with them fell on the Thais.[32] Major-General Kitti described the talks as a "tedious task". "Sometimes we had to wait three months for their answers". All points of the discussions had to be debated by the CPM's central committee and its politburo. Negotiations required sixteen rounds of talks in Haadyai, Penang and Phuket. At the second meeting in June, progress was stalled when the CPM's chief negotiator, Chang Lin Yun, collapsed. The talks were nearly derailed during the final round when the press reported that Dr Mahathir preferred all the guerrillas to stay in Thailand. The guerrillas considered themselves

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Malaysian and wanted to return to their homeland.[33] Talks also stalled on a demand by the guerrillas that those wishing to stay in Thailand be granted full Thai citizenship.

The CPM also pressed for the abolition of the Internal Security Act in Malaysia and for the party to be legalized. The Malaysian authorities rejected this demand. Kuala Lumpur, however, agreed not to invoke Malaysia's Internal Security Act, which permits imprisonment without trial for returning guerrillas. Dr Mahathir, nevertheless, stated that CPM returnees would be subject to the country's laws — which was taken to mean a period of "rehabilitation". The last major stumbling block was the guerrillas' demand for political participation in Malaysia. It was only removed on 15 November 1989 by Dr Mahathir when he promised them political rights on the condition that the CPM change its name. Throughout the negotiating process, Malaysia made it clear that it would eventually accept the returning guerrillas, but "on its own terms".

At the end of June 1989, the *Bangkok Post* reported that the final batch of 1,000 CPM guerrillas would end their forty-year armed struggle along the Thai–Malaysian border if the Thai Government could assure them of a decent and legitimate life. Speaking in Malay to reporters, Pohji Kasem, the CPM representative, stressed: "It's not a surrender. The CPM has its pride from its fighting with the British troops since World War II. We would like to end the war with justice and dignity. You should avoid using the word surrender in your report as it is not fair to us." He stressed that the CPM's statement was made in accordance with the world trend of resolving conflicts. The changing situation in Malaysia had made it purposeless for the CPM to continue the armed struggle. At that point, it was hoped that if a truce could be reached, the likely result would be that the remaining CPM members would dissolve the party and army by August.[34]

A meeting between Thai Army Supreme Commander General Chavalit Yongchaiyuth and Chin Peng at an undisclosed location in Thailand during the last week of October 1989 resulted in the final agreement on plans to sign a truce pact between the CPM, Thailand and Malaysia.[35]

Still another hurdle was the question of face. Surrender was the most sensitive word in the peace negotiations. The CPM strongly denied it was abandoning the struggle because of a decline in foreign assistance, an apparent reference to China. The insurgents also stood firm on their demand not to give up their arms, although Thai negotiators had initially refused to let them destroy the weapons themselves. With this in mind, both governments took special care not to ruffle CPM sensitivities.

On 28 November 1989, the Thai Cabinet endorsed the draft agreement spelling out the terms and conditions for the dissolution of the CPM.

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The agreement included a pledge by the CPM to dissolve its guerrilla army, and it would be signed by Thailand, Malaysia and the CPM.[36] With the successful conclusion of the talks, Saturday, 2 December 1989 was set aside as the historic date when Chin Peng would sign the peace agreement at an official ceremony which would signify the end of the forty-year-long armed struggle.

The Terms of the Tripartite Peace Accord

The main points of the peace agreements signed by the CPM and the Thai and Malaysian governments were summed up in a four-paragraph joint communiqué, the only official document released in Haadyai.

Two separate peace pacts were signed, one between Malaysia and the CPM,[37] and the other between the Thai Internal Security Command, Region 4, and the CPM. The communiqué declared that "all three parties recognise that this honourable settlement will bring prosperity, stability and security to the Thai-Malaysian border region and Malaysia". It said that Malaysians who were former CPM members would be allowed to freely participate in political activities in the country.

The Malaysian Government would "in due course" allow former members of the disbanded CPM armed units to be active in politics "within the framework of the Federal Constitution and the laws of Malaysia". The carefully worded text also stated that the peace talks had been successfully concluded out of a desire of all three parties for "reconciliation and peace". It added that former members of the CPM's armed units had pledged to respect the laws of Thailand and Malaysia and to participate in socio-economic development for the benefit of the people of both countries. Thailand and Malaysia on their part agreed to "provide fair treatment to these members". Malaysia and the CPM also expressed their gratitude to Thailand for its efforts in "bringing about the successful conclusion of the peace talks".[38] There were ten signatories to the peace agreement — four from Thailand and three each from Malaysia and the CPM. The main signatories were Thai Army Supreme Commander, General Chaovalit Yongchaiyuth, who signed on behalf of his country, Malaysian Home Affairs Secretary-General, Datuk Wan Sidek bin Wan Abdul Rahman, for Malaysia, and CPM Secretary-General, Chin Peng, on behalf of the communists.

Two memoranda of understanding were included to look after the welfare of the 1,188 ex-CPM members who had come from varied backgrounds (see Table 1). Of these, 1,121 surrendered to Thai authorities and were sent to the Aman settlement in south Thailand. The rest gave themselves up to the Malaysian authorities and were placed in Kamunting

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Table 1
Ethnic Composition of the Ex-CPM Members

Nationality	*Race*	*Distribution by Race*	*Distribution by Nation*
Malaysian	Chinese	402	494
	Malays	77	—
	Orang Asli	13	—
	Indian	2	—
Thai	Chinese	184	670
	Muslim	479	—
	Native	7	—
Singaporean	Chinese	21	21
Indonesian	Chinese	1	1
Japanese	Native	2	2
Total		1,188	1,188

SOURCE: Statistics compiled from the *New Straits Times*, 2 December 1989, p. 8.

Camp in the town of Kamunting situated approximately 6 kilometres north of Taiping in the state of Perak. The two Japanese Imperial Army soldiers decided to return to Japan.

The first memorandum signed between Malaysia and the CPM pledged Kuala Lumpur's assurance not to impose the Internal Security Act on CPM members who chose to settle in Malaysia. Each would be given a living allowance of MR$300 a month for three years. Datuk Wan Sidek bin Wan Abdul Rahman maintained that ex-CPM guerrillas returning to settle in Malaysia would be subjected to standard screening procedures for national security reasons, such as registration and re-education by the Malaysian authorities. The process could take years. He indicated that the peace accords were deliberately brief and in general terms, so as "to allow the government to adopt administrative procedures that have yet to be spelt out as part of the enforcement of the accords".[39]

In the second memorandum of understanding signed between Thailand and the CPM, guerrillas who chose to remain in the country would be guaranteed a 22-baht per day allowance for three years, plus a 15-rai plot of land for resettlement and cultivation in four villages in Yala and Narathiwat provinces near the border with Malaysia.[40] The Thai Government would also provide them with housing and infrastructure. Thai citizenship would be granted but in accordance with the legal process.[41]

Resettlement Phase

For the ex-communist terrorists, the integration process will be long and difficult as the scars of the forty-year insurgency are still fresh in the minds

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of those who have had to undergo unbearable hardship during that period. There would be no guarantee that returning guerrillas would receive a warm welcome. This was confirmed when Malaysian Deputy Home Affairs Minister, Datuk Megat Junid Megat Ayob, stated that some ex-communists were facing a problem of public acceptance. Some fifty ex-members of the CPM who were undergoing rehabilitation[42] had been disowned by their families who were indifferent to their plight.

In Thailand, animosity still remains between the local residents and ex-CPM members. As early as June 1989, there were reports that local residents, long victims of the CPM's extortion, had complained that the ex-guerrillas were using the amnesty to invest the money they had taken as "bandits". "It is not fair," said one businessman in Betong in south Thailand. "These people killed our relatives and now they are using our money to do business freely and walk tall in our country."[43] Clearly, both the Thai and Malaysian authorities will find that it will be no easy matter trying to integrate ex-CPM members into their respective societies.

Disarming a Guerrilla Army

The 1,188 ex-members of the CPM were given until 2 February 1990 to leave the jungle by Malaysian authorities. They were to be granted a further two weeks from that date to surrender their weapons. They duly obliged by beginning the destruction of weapons on 22 February 1990. The commander of the Thai–Malaysian Combined Task Force, Major-General Panthep Puwananurak, said that, over three days, about 1,161 automatic rifles, 9 mortars and 85,529 rounds of ammunition and mortar shells, 318 grenades, and 3,996 anti-personnel booby traps would be blown up or burnt.[44] In view of the large volume of weapons, the deadline was extended to 2 March 1990. The CPM was also given six months to dismantle all the booby traps planted along the border areas. There was a measure of flexibility with this deadline because of the difficult terrain and the wide area in question as well as other factors such as bad weather which can affect the progress of dismantling. Reports submitted by the CPM suggested that there were 4,000 booby traps planted along the Thai-Malaysian border. The CPM volunteered to provide twenty-three guides to assist Malaysian security forces in destroying the booby traps planted along this area.[45]

The Fate of Chin Peng

Perhaps the most critical question on the minds of political analysts now is: what will be the future role of ex-CPM leader Chin Peng? Will he retire

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quietly to private life and write his memoirs? Or will he fashion for himself a new political role by entering Malaysian politics through legal channels?

After signing the peace accord, when questioned on his future plans, Chin Peng, living up to his image as one of the world's most secretive revolutionaries, did not give any clues about his immediate plans. He did, however, state unequivocally that he still regards himself as a Marxist-Leninist. Nevertheless, he showed his main intent of appealing to Malaysian society by speaking in fluent Malay, and reaffirmed that his political future would be decided collectively by the party's central committee. Reports on Chin Peng's future political aspirations have been varied and unsubstantiated. One report from the *Bangkok Post* stated that Malaysia would take a year to consider Chin Peng's request to change the CPM's name to the Malayan People's Party, a move Chin Peng hoped would make the party legal and thus allow it to engage in Malaysian politics.[46]

A second report quoted from the *Nation* newspaper stated that Chin Peng had confided to people close to him that he wanted to return to Malaysia to head the Labour Socialist Party of Malaysia, which would include other ex-CPM members.[47]

Whatever his personal aspirations, Chin Peng will have to renounce communism as an ideology for his proposed political party, or the Malaysian authorities will reject his party's registration. Senior Malaysian officials, commenting on speculation that Chin Peng will return to Malaysia to set up a more acceptable party to succeed the CPM, said it was not enough for the party to merely drop the term "communist" from its name. "If their objectives are in conflict with our (national) aspirations (as embodied) in our constitution, they will not be allowed to form the party," stressed Datuk Wan Sidek bin Wan Abdul Rahman. He suggested that ex-CPM guerrillas returning to settle in Malaysia would be subjected to standard screening procedures for national security reasons, such as registration for re-education by the Malaysian authorities, and the process may take years.[48]

There were mixed reactions to suggestions that Chin Peng would return to the political limelight some time in the near future. Former Malaysian Prime Minister, the late Tunku Abdul Rahman, had maintained that the outlawed CPM would never give up its struggle and that the CPM leader Chin Peng should not be allowed to return to Malaysia. He stressed emphatically: "I myself won't favour his return to Malaysia as he (Chin Peng) had said, once a communist always a communist. I don't think they will surrender; even if they do, they won't give up their struggle for the communists to take over South-east Asia. So they have to be watched all the time." The Tunku's impressions were moulded from the historic 1955 meeting in Baling when Chin Peng ended the discussions by stating:

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"As between Tunku and I, we can never come to an understanding. Tunku is anti-communist and I am communist."[49]

As for the rest of Malaysia, the communist insurgency, which had been such a contentious issue in the 1950s and 1960s, seemed to pale into relative obscurity by the late 1970s. As such, the demise of the CPM did not have a profound effect on the population as a whole. The only people who were relieved that the four-decade-long insurgency was over were those who lived in the border regions and who had undergone immense hardship. With the end of the insurgency, the dusk-to-dawn curfews in parts of Perak, Kelantan, Pahang and Negri Sembilan which had become an inconvenient part of everyday life were lifted.

Among the Chinese community in Malaysia, the possibility of Chin Peng's imminent return brought forth diverse reactions. It was reported that a Malaysian private company, Hai-O, a group of companies dealing mainly in goods imported from China, wanted Chin Peng to be its Chairman. The same report also said that the opposition Democratic Action Party (DAP) was prepared to accept Chin Peng as a member of the party should he be allowed by the government to participate in politics.[50]

Not all Chinese politicians may welcome Chin Peng's participation in Malaysian politics. It was reported that some members of the opposition had accused the government of being too lenient with the CPM and in the process betrayed Malaysians who had sacrificed their lives in safeguarding the security of the country.[51] When analysed, this argument did not make much sense. After all, the successful conclusion of the insurgency was significant testimony to those who had laid down their lives — that their actions in defence of their country's ideals had not been in vain. The protests of these politicians, perhaps, stem from reasons closer to their own interests.

Chin Peng's imminent return comes at a time when the Chinese community is desperately lacking credible leadership. The Malaysian Chinese Association (MCA), in particular, is under severe criticism. In the battle for Chinese votes, the MCA has been losing ground to the opposition DAP in every election since 1974. Many Chinese have been dissatisfied with what the MCA has been able to get for the Chinese community in its power-sharing agreement with the United Malays National Organization (UMNO).[52]

Among the older generation Chinese especially, it is not impossible that Chin Peng may be considered a legendary Chinese leader. This was the generation that had applauded him when he appeared on the screen during the Malayan Film Unit's newsreel of the Baling Talks.[53] They would certainly be supportive of his attempts to achieve political ascendency. However, only time will tell if he has the support of the younger generation.

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Much depends on his strategy. Ultimately, to succeed, he must once again face his old nemesis — the need to attract Malay support. He needs to be considered a credible Malaysian leader and not merely a Chinese leader. He seems to have got off on the right footing through his use of carefully crafted nationalistic rhetoric during the signing of the peace accord. In a speech made at that time, he stressed that he and his followers would abide by the laws of Malaysia in contributing whatever they could for the country. The CPM chief also pledged his loyalty to the Malaysian King on behalf of his Malaysian followers.[54]

Chin Peng is astute enough to realize that there exists a pool of discontent among the Chinese population in Malaysia. When asked whether he would continue his struggle within the parliamentary system, Chin Peng felt optimistic that some Malaysians would support his political struggle stating: "I am realistic that the support would not be so much that we could win a political majority, but it should be enough for us to launch a political movement." When asked if his movement would contest the next general election in Malaysia, five years from now, Chin Peng remarked cautiously: "I can't say yet, we will try our best, but there are a lot of problems that we will have to face."[55]

New Battle for "Hearts and Minds"

If Chin Peng successfully undergoes rehabilitation and makes a political comeback, two options are open to him. First, he could take the easier alternative by standing on a DAP ticket at the next elections. His presence would strengthen the DAP's prestige immeasurably, further eroding the political prestige of the MCA. Secondly, with the support of his ex-comrades, he could form a new party. The presence of the ex-CPM members would give him a strong core group which could become the capstone from which he could successfully build a credible political framework. Much would depend on his political agenda. He will fail if he depends solely on the support of Chinese chauvinists and extremists — a mistake made by the old Communist Party of Malaya. Probably, his best recourse would be to concentrate on winning the support of moderate Chinese and Malays. This is easier said than done. In order to do this, he must successfully rid himself of his communist past, knowing full well that the stigma that comes with such an association will be exploited fully by his critics in an election campaign. He may not have the credibility to adopt a fully democratic posture nor will he succeed on a purely socialist stance for fear of being misinterpreted. If he moves successfully to a social-democratic platform and captures the support of the moderate

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element in the electorate, he has a good chance of success. Any other approach will lead to failure.

The communists have always proven that they possess outstanding organizational skills and astute tactical awareness. Chin Peng certainly has the respect and devotion of his cadres, as reflected in the statements made by his followers.[56] With the presence of such a stable foundation, there is little doubt that they (the ex-communists) could, in time, become a formidable force to be reckoned with.

A great deal depends on whether Chin Peng has the stomach for yet another battle. After decades of struggle, no one doubts his resilience. Nevertheless, he will probably be in his mid-seventies when the next election comes along. Having lived in China for the past twenty-eight years, he would have realized by observing the CCP, that age never seems to be an impediment to Chinese politicians. However, will he be able to prove to a younger electorate that he is a credible leader to be taken seriously? Previously, his strength lay in the fact that he was a shadowy, elusive and enigmatic leader, always shrouded in a veil of secrecy. How will he cope with the cut and thrust of a rigorous political campaign where the personality, charisma and the inflamed rhetoric of a political leader play important roles in swaying the affections and opinions of an electorate. Will he have the ability to exert, or attempt to exert a determining influence on the hearts and minds of his fellow Malaysians? Will he be considered a relic, whose political aspirations are archaic and misguided or will he bring forth a fresh new alternative to Malaysian politics? These questions may be elucidated over the next five years. Whatever their consequences, a new era in Malaysian politics looms on the horizon.

The CPM in Retrospect

One could point to a number of different factors which ultimately led to the demise of the CPM. Internal feuding and disunity within the party tore it asunder, creating rival and contending groups which clashed frequently over territorial control. Chin Peng succeeded in fighting off the challenge to his leadership mainly because of backing from Beijing. The two splinter groups, becoming more and more isolated, were easy targets for the security forces who were able to undermine the organizational and logistical structure of the two breakaway factions through relentless security operations. Confronted with this grim situation, the breakaway factions were amenable to peace overtures made by the Thai authorities.

Though the CPM proper was able to survive periodic joint operations by Thai and Malaysian troops, it was never able to build up its military strength or make political headway in Malaysia which was the focus of

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its struggle. Despite the fact that the insurgents made no gains, the festering insurgency did not show any signs of ending, despite the costly operations mounted by Malaysia and Thailand. Recognizing this fact,[57] the Thai authorities decided to embark upon the amnesty option while carefully pursuing a strategy which combined peace negotiations with suppression drives to speed up the negotiation process. Thai–Malaysian co-operation saw the establishment of unilateral and bilateral border development schemes. Friendly ties between the two countries allowed them to beef up security in the border region without the fear that these actions would be misconstrued as a threat to either side.[58] Significantly, the Malaysian Government, by improving the living conditions in the border areas, was able to stamp out an important root cause that nourishes a communist insurgency — poverty.[59]

The prospect of dwindling material aid from Beijing and changes prevalent in the communist world would certainly have been a source of concern for the CPM leadership. Whatever the importance of external considerations, the most crucial factor which led to the demise of the communist movement was the lack of support received from the Malaysian people, particularly the problem which had dogged the party from the very outset — its inability to secure Malay members.

Chin Peng's Crucial Mistake

Essentially, the communist cause was lost as far back as 1955. According to ex-CPM Chairman Musa Ahmad, in early 1955, CPM leaders realized that its struggle had failed and that UMNO was then playing the major role in achieving independence. With the CPM's struggle diminishing and becoming more isolated, the priority was to maintain its image as a party that was fighting for the people's freedom from the colonialist yoke.[60] Chin Peng, then, made a volte-face and tried to get the CPM recognized as a legal entity so that it could contest the elections promised by the British. However, the majority of Chin Peng's men were Chinese. It was a trump card the British did not hesitate to play. Without the slightest hesitation, they mobilized the Malay community to face the challenge. The Federated Malay States were handed over lock, stock and barrel to the ethnic Malays who formed the majority of the population. Negotiations during the Baling Talks[61] broke down over the Tunku's insistence on the dissolution of the then Malayan Communist Party. Those guerrillas who laid down their arms under the amnesty agreement would be permitted to join other parties, but the MCP was to be banned.

Chin Peng angrily rejected these generous terms. It was a colossal blunder. A less dogmatic politician would have subtly worked to split the

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opposition, playing off the softer sensibilities of David Marshall, Chief Minister of Singapore, against the hardline Tunku's ethnocentric view. This meant that the CPM would still be able to move freely and revive the people's support without having to give up. Had he done that, the communist movement would have lived to fight another day. This would have altered the face of Malaysian politics considerably. It was a mistake he must rue to this very day. Thirty-four years from that fateful day in Baling, Chin Peng returned to Haadyai in southern Thailand, a city not far from Baling, ironically, to preside over the signing of an agreement which would ultimately lead to the dissolution of the CPM.

The End of an Era

According to Deputy Home Affairs Minister, Datuk Megat Junid bin Megat Ayob, Chin Peng's name is among the 400 applicants who desire to settle in Malaysia shortlisted by the Malaysian Government for interviews.[62] The Malaysian Government has, on its part, made good its assurance not to impose the Internal Security Act on CPM members who choose to settle in Malaysia. Nevertheless, in the case of Chin Peng and his followers, the question still remains whether they are considered a threat to Malaysian security.

The move by Malaysia not to impose the Internal Security Act on returning communists illustrates an interesting point that whether or not they pose a security risk depends not only on their beliefs and convictions but also on developments in Malaysia and abroad. By all accounts, Chin Peng's own beliefs have not changed. But, in the twenty-eight years he has been away, Malaysia has undergone a transformation which Chin Peng will find difficult to comprehend. More significant, perhaps, are developments outside Malaysia. The winds of change blowing from the capital cities of the two communist giants, China and the Soviet Union, namely, Deng Xiaoping's reforms and Mikhail Gorbachev's *perestroika*, plus the collapse of communism in Eastern Europe have wreaked havoc on hardcore communist ideologues. These changes have literally pulled the carpet from under the feet of revolutionaries like Chin Peng.

While he may have come to grips with these realities, he has yet to come to grips with the reality of a changing modern Malaysia. When he returns to Malaysia, he will realize that Malaysia's younger generation, whose support is essential if he is to succeed politically, will find it difficult to relate to the sort of ideological battle which might have fired the hearts and minds of an earlier generation. Chin Peng would do well to realize that an era has passed, never to return.

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NOTES

1. The individuals involved in the signing of the peace accord in Haadyai, southern Thailand, were General Chaovalit Yongchaiyuth, representing the Government of Thailand, Malaysia's Home Affairs Secretary-General Datuk Wan Sidek bin Wan Abdul Rahman, and Chin Peng, the legendary CPM secretary-general, who had flown into Thailand from Beijing.
2. Chin Peng's real name is Ong Boon Hua, but he has a string of aliases, including Thianprasit, Thiansriri, Kiangsiri, Chuan, Wong Ping and Wong Mun-wah. He was born in Sitiawan, Perak, in 1922, the second son of a bicycle dealer who was an immigrant from Fujian province in China. As a schoolboy, he was described as a bookworm, studying Chinese in the mornings and English in the afternoons at a Methodist school. He finished school at the age of 15. Three years later, he became a communist, his first job being that of a stencil writer for the *Humanity News* in Perak. During the Japanese occupation of Malaya from 1942 to 1945, Chin Peng became one of the leaders of a sizeable guerrilla force fighting in the jungle, known as the Malayan People's Anti-Japanese Army. Uniquely, he was made an officer of the Order of the British Empire by the British Government for his contribution to the Allied war effort. But Chin Peng had his name struck off the honours list when he led his guerrillas back into the Malayan jungle in 1948, this time to fight the British, who had come back to Malaya at the end of World War II, and later his own people, the Malayans. Chin Peng has been described as a man who had no qualms about ordering civilians shot, conducting guerrilla warfare, and ordering the execution of comrades suspected of disloyalty. Out of sight since his last public appearance in December 1955 at the historic peace talks in Baling, Kedah, the first clue of his whereabouts came in 1981 when former CPM chairman Musa Ahmad, who defected in January that year, revealed that Chin Peng was alive and well in Beijing. Now 69, he reportedly wants to settle down in Malaysia after the signing of the truce agreement.
3. Despite the fact that the backbone of the guerrilla movement was broken through police Special Branch infiltrations of the party and its different factions plus military action, the strength of the party, particularly in the Betong area, remained constant, indicating that the party could still attract new recruits. Earlier in 1979, students missing from schools in southern Johor had resurfaced in the jungles along the Thai–Malaysian border as communist guerrillas. What was worrying the authorities then was the fact that the new recruits were no longer ignorant rubber tappers or workers but children of the well-to-do middle class. See "Reds still a menace", *Straits Times*, 22 November 1979.
4. All the three factions had their areas of operation in south Thailand, with the CPM proper operating in Betong, the CPM-RF in East Sadao and Yala, and the CPM-ML in Sadao and west Betong. In opening a conference of senior police officers, Tan Sri Haniff, the Inspector-General of Police, urged the police force to be more resilient and vigilant to thwart any efforts by the guerrillas to launch a second armed insurgency. See "New threat from 3,000 Reds, says I.G.P.", *Straits Times*, 28 December 1979.
5. See "Reds stepping up raids in bid to win back support", *New Straits Times*, 5 January 1982.
6. The formation of the Communist Party of Malaysia was first reported by the *Bangkok Post*, quoting Thai intelligence sources. The new party was to be headed by Chong Chung Man, the former chairman of the CPM-ML, as secretary-general, and Wong Shing, ex-chairman of the CPM-RF as his deputy. See "Reds have teamed up: Musa", *New Straits Times*, 20 January 1984.

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7. See "Guerrillas have not increased activities despite merger", *Straits Times*, 1 March 1984.
8. When the CPM could not get Malay support, their agents began impersonating Malays, that is, assuming Malay names, in a desperate attempt to secure their support, particularly the youth, for its struggle. See "Reds using Pahang as stronghold, says Musa", *Straits Times*, 17 February 1984.
9. See "Communists form New Malay Wing", *New Straits Times*, 28 November 1984.
10. This strategy was confirmed by the former chairman of the CPM, Haji Musa Ahmad. He revealed that the CPM had trained cadres and instilled them with religious knowledge to enable them "to infiltrate into religious, political and other organisations". (See "Ex-CPM leader warns of infiltration by Reds", *New Straits Times*, 18 November 1984.) He went on to say that the CPM had decided in 1961 that the only way to get mass support was to use religion. The communists were taught Quranic verses and Islamic ways. They were also asked to wear the *sarban* (turban) "to look more Muslim". Once trained, they were "let loose" in certain areas for them to get acquainted with the locals and gain their confidence. The idea was for them to become opinion leaders, if not heads of the places they infiltrated so that they could spread the communist ideology. (See "CPM using Islam to gain Malay support: Ex-leader", *Straits Times*, 7 July 1987.) Furthermore, he stressed that the CPM was trying to win over Malay intellectuals since they had failed to win the support of the workers and rural people. The Party had been playing on religious and nationalistic sentiments to attract educated Malays. The communists were well aware of their "educational handicap" and wanted the help of educated Malays to revitalize the Party. (See "CPM out to win Malay intellectuals", *Straits Times*, 26 January 1988.)
11. In September 1985, Deputy Prime Minister Musa Hitam warned Malaysians to be wary of new tactics used by communists to undermine the confidence of the people in the government. He stressed that the communists no longer resorted to guerrilla warfare. Instead, they were using a "very subtle approach to create the impression that they had been defeated". Through this means, the communists raised various issues ranging from racial topics to the question of justice and even the country's leaders in a quest to destabilize the government. See "Musa warns of Red tactics to confuse people", *New Straits Times*, 16 September 1985.
12. See "CPM running border heroin labs: Thais", *Straits Times*, 8 May 1985.
13. See "Power struggle in newly formed CPMal", *New Straits Times*, 3 September 1985.
14. See the articles entitled "China will keep ties with CPM", *Straits Times*, 29 February 1984; and "Tacit pact on CPM between Beijing and KL", *Straits Times*, 6 March 1984.
15. See "Old fears remain despite Dr. M's successful China trip", *Straits Times*, 21 December 1985.
16. The General Border committee became an excellent vehicle for expanding ties between Thailand and Malaysia and did not concern itself merely with the communist threat. The joint authority was also responsible for strengthening economic co-operation by setting up arrangements to exploit the resources of the continental shelf of the two countries. The agreement also permitted the movement of goods in transit between the coasts of West Malaysia through Thai territory using the State Railway of Thailand, and included the supply of Malaysian crude oil and diesel to Thailand. It is interesting to note that the bilateral co-operation on security matters between Thailand and Malaysia was never formalized into a military pact. See "Reaffirming ties with Thailand", *New Straits Times*, 19 May 1980; and "The never-ending war against the Reds", *Straits Times*, 27 July 1983.
17. See "KL-Bangkok pact to boost the lot of border villages", *Straits Times*, 23 June 1982.

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18. See "Thai drive against CPM if talks fail", *Straits Times*, 13 June 1985.
19. The concept of a general amnesty was first announced by the Thai Government in 1981. A substantial return from this policy was seen in November 1983, through the mass surrender of 45 CPM members, 166 CPT members, and 469 separatists in a ceremony at Sirindhorn barracks near Yala in south Thailand. This initial success gave impetus to the policy and vindicated the strategy of the Thai authorities. See "CPM Chief Chin Peng back in border area", *New Straits Times*, 7 November 1983.
20. The proposal urging Malaysia to seriously consider using the amnesty option was put forward by Thailand at the 31st meeting of the Malaysia-Thailand General Border Committee held in Kuala Lumpur in January 1987. See "Thailand urges Malaysia: use amnesty to fight insurgents", *Straits Times*, 16 January 1987; and "Call for amnesty for Malaysian Reds", *Straits Times*, 10 February 1987.
21. See "Reds hit hard by surrender: General", *Sunday Times*, 5 April 1987.
22. See "Former guerrillas assured of stay in Thailand", *Straits Times*, 4 June 1987.
23. See "Why CPM terrorists may get more active", *Straits Times*, 5 June 1987.
24. See "It's surrender or die choice for terrorists", *Straits Times*, 24 July 1987.
25. See "Border Reds studying peace terms", *Straits Times*, 29 August 1987.
26. See "KL winning war of attrition against Reds", *Straits Times*, 19 January 1988.
27. See "Border Reds down to 1,000, says Rithaudeen", *Straits Times*, 10 February 1988.
28. Deputy Defence Minister Datuk Abang Abu Bakar Mustapha stated emphatically that "the government will not pardon the remaining number of communist terrorists even if they give themselves up". See "No pardon for terrorists who surrender", *Straits Times*, 14 October 1988.
29. Dr Mahathir made this statement in response to a question by a Member of Parliament who enquired whether the government would allow the return of people like Samsiah Fakih, the second ranking leader of the CPM and leader of its women's unit, currently residing in China, who had requested permission to return to Malaysia saying she had repented. See "Reds must first pay for crimes", *Straits Times*, 8 July 1988.
30. See "Red returnees must first pay for crimes", *Straits Times*, 8 July 1988.
31. See "1,000 border Reds expected to lay down their arms", *Straits Times*, 14 December 1988.
32. Kuala Lumpur only entered the talks directly in 1988 when Prime Minister Mahathir Mohamad assigned a representative from the Malaysian Special Branch to undertake the task. See "CPM accord ends years of insurgency in South", *Bangkok Post*, 1 December 1989.
33. See "Chin Peng wants end to armed struggle, says Bangkok", *Straits Times*, 8 May 1989; and "A communist calls it quits", *Asiaweek*, 8 December 1989, p. 32.
34. See "Border Reds ready to lay down arms", *Straits Times*, 24 June 1989.
35. The Thai army chief agreed to the CPM demand for a written, official guarantee that would ensure their safety, as well as rights to Thai citizenship. Under the terms of the pact, all former CPM guerrillas would be allowed to settle permanently on Thai territory near the Thai–Malaysian border area. Those who wished to return to Malaysia would be assured of Kuala Lumpur's guarantee for their safety. Malaysia had also agreed to treat them with fairness if they became law-abiding citizens. If they (ex-guerrillas) renounced the CPM, these former insurgents and party cadres returning to Malaysia would also be allowed to take part in Malaysian politics. See Tan Lian Choo, "Chin Peng going to Bangkok next month to sign pact", *Straits Times*, 13 November 1989; and "Chin Peng in Thailand", *Straits Times*, 30 November 1989.
36. The four main topics in the agreement were: an end to the joint Thai-Malaysian military operations to suppress CPM activity; an end to the CPM armed struggle

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being carried out at the Thai–Malaysian border; the right to reside in Malaysia for former CPM members; and assistance by the Malaysian Government to such returnees.

37. The peace accord signed between the CPM and Malaysia had four main points: the Malaysian Government and the CPM would cease all armed activities; the CPM would disband all armed units, destroy its weapons, ammunition, explosives and booby traps in Malaysia and Thailand; CPM members and members of its disbanded armed units who were of Malaysian origin and who wanted to live in Malaysia would be allowed to do so subject to Malaysian laws; those who were not of Malaysian origin could also do so, under Malaysian laws; and Malaysian authorities would help CPM members of its armed units to begin a new life. See "Two Red leaders have not applied to return", *Straits Times*, 31 January 1991.
38. See "What the communiqué says", *Straits Times*, 3 December 1989.
39. See "Chin Peng: Here today, gone tomorrow", *Straits Times*, 4 December 1989.
40. The Thai Government estimated that it would have to spend approximately 130 million baht on a rehabilitative programme for the CPM members during the next five years to enable them to start a new life. According to Thai security sources, part of the money would go to the ex-communists as living allowances. The government would use the rest of the money to build roads to four villages along the border in Sukhirin, Betong and Yala districts. The sources said that the Thai Fourth Army would supervise the rehabilitation process during the first five-year period, with co-operation from the agencies concerned. The CPM settlers would then be placed under the care of the Interior Ministry.
41. The latest report, quoted from the *Bangkok Post*, stated that former CPM guerrillas living in resettlement camps in south Thailand were expected to be naturalized as Thai citizens in five years' time. See "1,000 ex-Reds to be Thai citizens in 5 years", *Sunday Times*, 12 May 1991.
42. It is difficult to ascertain in what spirit the term "rehabilitation" is used by the Malaysian authorities. This ambiguous term was elucidated a little in a statement made by Deputy Home Affairs Minister, Datuk Megat Junid Megat Ayob. He stressed that the ex-communists were being "rehabilitated so that they could absorb and appreciate positive values, including loyalty to the nation and respect for its laws". He went on to say that "the length of their rehabilitation would depend on such factors as how long they take to adjust to their return to society". He added that "the ex-communists will be released after they have been thoroughly indoctrinated". He ended by saying that other problems had to be looked into before they could be released, such as their employment and safety. See "Ex-Reds facing problem of public acceptance", *Straits Times*, 5 February 1991.
43. See "Residents unhappy with CPM defectors", *Straits Times*, 30 June 1989.
44. See "Disbanded CPM bids farewell to arms", *Straits Times*, 24 February 1990.
45. See "Malaysian Reds help to destroy traps on Thai border", *Straits Times*, 13 November 1990.
46. See "Chin Peng has returned to China, says Thai report", *Straits Times*, 23 January 1990.
47. See "Chin Peng wants to head political party in KL", *Straits Times*, 28 March 1990.
48. See "Chin Peng: Here today, gone tomorrow", *Straits Times*, 4 December 1989.
49. See "The talks with Chin Peng", *Straits Times*, 2 December 1985; and "Reds will not give up their fight says Tunku", *Straits Times*, 29 November 1989.
50. See "Malaysian firm wants Chin Peng as Chairman", *Straits Times*, 2 January 1990.
51. See "MP raps opposition critics of peace pact with CPM", *Straits Times*, 3 March 1990.

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52. See Ismail Kassim, "MCA to put its house in order", *Straits Times*, 22 March 1991.
53. See Richard Stubbs, *Hearts and Minds in Guerrilla Warfare: The Malayan Emergency 1948–1960* (Singapore: Oxford University Press, 1989), p. 227.
54. See "Chin Peng hails Malaysia's attitude", *New Straits Times*, 3 December 1989.
55. See Tan Lian Choo, "Chin Peng seeks to return to contest polls", *Straits Times*, 4 February 1991.
56. In an interview with ex-CPM members who now earn their living at Betong, reporter Foong Choon Hon recorded their impressions of Chin Peng. The older Party members recalled Chin Peng's sacrifices and struggles for communism for over half a century. He had gone through numerous dangers, often escaping by the skin of his teeth. Despite this, he had resolutely shouldered his responsibilities as a leader and never thought of leaving the Party. They remember that it was Chin Peng who had exposed his predecessor Lai Teck as a traitor and saved the party from being wiped out by the Japanese in 1942. In the protracted negotiations he had with Thai and Malaysian authorities on a peace pact, Chin Peng had tried hard and succeeded in upholding the honour of the CPM. He had also made arrangements for his comrades to secure some means of livelihood. It was said that some veteran CPM members were clearly aware that this represented the most difficult and thorny problem to be tackled. As for the younger members, they were very grateful to Chin Peng for his impartial leadership. Some of them felt that Chin Peng had at least won honour for the CPM's armed revolution, so that it was not held in contempt by the world! They were pleased that he visited all the border camps after the Haadyai peace talks. It was reported that at one stop he was said to have spent nearly five hours posing for photographs with each of his 1,000 comrades. See "Chin Peng still respected", by Foong Choon Hon, *Straits Times*, 21 November 1990.
57. In justifying the need to pursue the amnesty option in the face of a military stalemate, Major-General Kitti Rattanachaya stated: "We thought that if we kept them under siege in the jungle, they would run out of food and logistics in four years. We were wrong. In fact, they could hold out for ten years without major supplies from outsiders". It was for this reason that Bangkok began sending out peace feelers in 1985. See "A communist calls it quits", *Asiaweek*, 8 December 1989, p. 32.
58. To strengthen security on the border, the Malaysian Government decided to construct a security wall about 100 metres inside Malaysian territory. Construction began in July 1985. The wall which stretched from Bukit Kobeh to the north of Bukit Berapit immigration checkpoint — a distance of about 26 kilometres — was constructed with the aim of denying communist insurgents free access between the two countries. It was also to give further protection to residents living close to the border, provide security for a few land development schemes organized by the Federal Land Development Authority (Felda) and prevent smuggling activities. See "Security wall to go up along the border", *New Straits Times*, 14 June 1985.
59. Among the projects completed were the East-West Highway which links the Perak border town of Grik with Jeli in Kelantan, and the Temenggor and Kenering Dams that, apart from providing much needed electricity, flooded vast areas of northern Perak and severed the communists' traditional route from southern Thailand to the heart of the peninsula. The presence of the Nengiri Dam was also beneficial for the overall security of the main range which security forces believed to be the most important north–south route of the communist terrorists and crucial to the security of Kelantan. See "Dam project to cut important Reds trail", *New Straits Times*, 3 July 1984.
60. See "Chin Peng may still be alive", *Star*, 16 September 1983.

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61. The Baling talks were held on 28–29 December 1955. Chin Peng led the MCP delegation which included Chen Tien and Abdul Rashid bin Mydin. Representing the Government was Tunku Abdul Rahman, David Marshall, Singapore's Chief Minister, and (Tun) Datuk Sir Tan Cheng Lock, President of the MCA.
62. See Ismail Kassim, "Chin Peng wants to return to Malaysia, says Minister", *Sunday Times*, 24 March 1991.

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The ASEAN Growth Triangle: The Convergence of National and Sub-National Interests*

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While ASEAN promotes economic co-operation through intra- and extra-regional activities, a recent sub-regional initiative has attracted much attention. The Growth Triangle concept, the first case linking Singapore with its neighbours, Johor and Riau, has shown that with governmental support, the public and private sectors in the participating sub-regions can co-operate in certain mutually beneficial sectors. However, this can only be accomplished with the full support of the national political leaders, which is particularly significant in the Riau and Johor cases where state (provincial) leaders come under central authority. National leaders will support such sub-national external collaboration if they see tangible benefits to the participating state and country and do not fear any competition or challenge to their national roles and decision-making authority.

The existence of several regional associations in various parts of the world attests to the importance and usefulness of such institutions for the promotion of national and foreign policy goals of externally oriented states. The phenomenon of regionalism has captured the attention of leaders who foresee a supra-national guarantee for regional security and domestic development. However, not all attempts at regional co-operation are successful: several factors contribute to cementing the close interaction among groups of sovereign states. The interests and attitudes of leaders, perceived benefits, immediate rather than long-term gains, and tangible as opposed to intangible outcomes, contribute to the success and survival of regional associations in the present-day world.

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A state's priority task is to safeguard and promote its national interests. Thus, states join formal organizations or even informal arrangements if it is considered to be in their national interests and aligned to their internal and external goals. States would not be attracted by mere ideals of abstract regionalism. However promising a regional grouping may appear to be, conflict of interests among states is bound to occur. Conflicts over interests are invariably harmful to maintaining or strengthening effective regional co-operation. In an arena dominated by sovereign actors, convergence of national interests would therefore promote regional co-operation while a conflict of interests would dampen such intentions. One of the underlying characteristics of a successful regional institution is its ability to promote co-operation where there is a convergence of the members' national interests while concurrently allowing each state to pursue those policies that are essential to its set of priorities, so long as these national policies do not undermine any collective policies that the grouping may have adopted in a particular policy area.

Sub-regional Co-operation

Successful groupings not only promote effective interaction among all their members at the national level, but at times also give rise to closer networks of communications among specific sub-groupings within the associations. This invariably occurs as a result of long-standing and overlapping common interests in political, security, economic, and cultural spheres, and is further enhanced by geographical proximity. While a larger grouping would naturally be more appropriate for handling supra-national issues, a micro grouping could concentrate on more localized issues. The phenomenon of sub-group regionalism can be found in most regional associations that have a fairly large membership. An example of a smaller arrangement is the case of the Benelux countries within the European Economic Community. Similarly, parallel interests have accounted for identities within the thirteen-nation South Pacific Forum grouping (informal yet projecting a sub-group identity) — for example, the Melanesian Spearhead grouping of Papua New Guinea, Solomon Islands and Vanuatu, or the Polynesian grouping within the Forum.

Sub-group co-operation has also emerged within the Association of Southeast Asian Nations (ASEAN). This has to be viewed in relation to regionalism in the area. At the macro level, Southeast Asian countries, in particular those that formed ASEAN, shared geopolitical, historical, cultural and other underlying factors that acted as a pull towards the institutionalization of plans for co-operation. At the sub-regional level, again taking ASEAN as the example, there is a different form of renewed

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interest in consciously linking the similarly oriented members together, for political and economic benefits. This can work to the advantage of the participants as well as to the larger region if the promotion of sub-regionalism within regional groupings does not jeopardize the larger institution's aims and identity.

The ASEAN Six

ASEAN has been in existence for twenty-four years. Numerous studies already exist on the history, development, achievements or failures of ASEAN co-operation and, therefore, such details will not be covered here.[1] Succinctly, the survival of ASEAN since its establishment in 1967 is evidence of its "success". The extent of success, nevertheless, depends on what one's yardsticks of measuring effective co-operation are and in comparing the original intentions with current achievements. Many economists have criticized ASEAN's lack of success from the "conventional" criteria of regional goals, such as increased trade, industrial co-operation, and harmonization of investment incentives. On the other hand, political analysts have been more generous in their evaluation of the grouping's attempts at promoting friendly relations intra-regionally and in pursuing collective policies on certain extra-regional issues. Perhaps the most striking feature of regionalism is that ASEAN has promoted stable and peaceful relations among its members, thereby ensuring that the ASEAN region is free of conflict. Another equally important outcome is that the grouping has relentlessly been exploring various ways to settle the Cambodian issue so that the region immediately contiguous to ASEAN will also be peaceful.

Economically, despite criticisms regarding the lack of effective co-operation, the ASEAN members have produced phenomenal growth results. This clearly stands in marked contrast to other developing areas such as South Asia or Central America. The regional climate of peace is no doubt conducive to national economic growth. With regionalism as a common goal, each country has, in fact, seized the opportunity to accelerate domestic development. Thus, it can be safely concluded that domestic development may not have been the direct result of specific policies in regional co-operation, but definitely an indirect result, facilitated by national efforts. Given the diversity of the ASEAN economies and political beliefs, and the competitive pursuit of national growth, it is understandable why national goals would tend to be more conflict generating than consensus promoting within the regional context.

Indonesia, with a population of 180 million, is by far the largest in population and size, yet with the lowest per capita income of about US$400, while the two smaller states of the group, Singapore with 2.7 million people,

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and Brunei with less than a quarter million, are by far the wealthiest with per capita incomes of US$8,000 and US$12,000 respectively. The per capita levels of the Philippines, Thailand and Malaysia range around US$600, US$1,000 and US$2,000 respectively.[2]

Except for Singapore, the other states are rich in resources. All have adopted market economies and emphasize trade and development based on their domestic resources, which include an abundant supply of labour. Thus, trade is an important element in these countries' economies. Naturally, trade is also an area where they have tried to co-operate though the trend has been for countries in the region to pursue bilateral ties. Bilateral links not only cater more specifically to each country's priorities, but they are also a carry-over of historical ties long established with special partners (such as the Philippines and the United States), while new partners on the scene, such as Japan, have made significant inroads into the once traditionally westward-looking countries by contributing to their engines of growth.

Trade, industrialization and tourism have significantly contributed to the accelerated development pace of the ASEAN economies. Yet, the push–pull factor towards regional co-operation has also created a dilemma, a situation the six cannot resolve easily; it is an issue of national independence versus regional collaboration. But the strong competition faced in international markets and the perceived benefits in a collective approach to trading has increased the awareness for new efforts to co-ordinate certain selected policies.

ASEAN Sub-groups

An analysis of intra-regional relationships must take into account two main levels of relationships — firstly, interactions among the entire group, and secondly, interactions among smaller sub-groups within the larger grouping. A functional analysis of interactions will clearly establish sub-group relationships within a regional organization. Within the ASEAN six, certain dyads have emerged over the years, based on economic and political considerations.[3] Thus, in terms of the highest level of interactions, Malaysia and Singapore constitute the closest dyad within the grouping. Bilateral trade between them is the largest within the region.[4] This can be traced to their geographical and historical linkages. Singapore was for a long time, during the colonial and post-colonial periods, the entrepôt centre for the hinterland of Malaya, later promoting itself as the advanced commercial centre for Malaysia and the rest of its neighbours. Singapore is one of the leading investors in Malaysia, while the Malaysian work-force constitutes

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about three-quarters of the total number of foreigners working in Singapore. Thus, the economic link has been cemented over the years despite regular cracks over sensitive issues that affect both countries' national pride and vital interests. Politics and security are also interlinked so that the leaders reckon that any artificial severance would not be realistic. Realizing the futility of a strict separation, the bilateral relationship has been strengthened through numerous channels, such as the exchange of visits by leaders at various levels, selective military co-operation, and participation in interdependent linkages like the supply of water and gas from Malaysia to Singapore in return for investment and project development.

Another member of ASEAN, Indonesia, has had links with Malaysia in cultural, religious and other fields. The historical links between Malaysia and Indonesia had earlier suffered a setback when President Soekarno, opposing the formation of the larger federation of Malaysia in 1963, embarked on his policy of Confrontation. Normal relations were not restored until 1968 after President Soeharto came to power in the wake of the abortive coup of 1965. Political relations have grown closer, but the relative geographical distance has not stimulated close links, especially in economic activities. While Indonesia's socio-cultural affinity with Malaysia is strong, its links with Singapore have been largely commercial (though not entirely institutionalized). For example, although the volume of trade between the two is substantial, part of it is "informal" and the data are not easily available. Thus, networks of interactions among certain countries had existed long before ASEAN came into being; ASEAN has, in fact, strengthened them, and in the last few years helped to institutionalize them.

Within the last few years the economic attractions of closer co-operation, spurred by Singapore's booming economy and the generally significant growth rates in Malaysia and Indonesia, have created a renewed awareness for closer economic links. Thus, we see the ideal setting for sub-regional co-operation within ASEAN linking Malaysia, Singapore and Indonesia: more specifically, linking certain regions of Malaysia, Indonesia and the city-state of Singapore, to which the term "Growth Triangle" has often been applied.[5]

The Triangle

The Triangle, comprising the two sub-regions of Indonesia (Riau) and Malaysia (Johor) with Singapore as the intermediary, evolved as a result of inter-governmental relationships at the bilateral level, and as a result of non-governmental activity among business groups. The southern state

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of Johor, lying only two kilometres across the straits from Singapore, has been a crucial link between Malaysia and Singapore. The interdependent relationship was not only due to the supply of water from Johor but also of food, natural resources, and labour from Johor and other parts of West Malaysia and funnelled through the causeway linking the two countries. The causeway, opened in 1923, has been more important in the transportation of people and material between the two countries than all the other sea and air links combined. For Singapore, Johor has been a gateway into Malaysia, not only for leisure and travel, but also for business opportunities and investments, especially in cheaper land and labour-based industries and tourism. There is no doubt that Johor's economy has benefited from the close ties with Singapore, as admitted by its Chief Minister.[6] More than 40 per cent of Singapore's trade with Malaysia has been done through Johor while Singapore is among the top investors in Johor. About 70 per cent of tourists to Malaysia come from Singapore, spending about US$400 million per year in Johor alone. As an average of 50,000 visitors and 18,000 vehicles cross into Johor daily, it has necessitated the expansion of the existing causeway and there is a plan to build a second link, a bridge, shortly.[7]

The case of Batam's association with Singapore is not as well established and is of more recent origin. (Batam was the initial island selected to be part of the Growth Triangle concept. Even at present, most reports and speeches of government leaders refer to the "Batam-Singapore-Johor" triangle in the limited sense as most of the triangle-related activities have been on Batam rather than on other parts of the Riau province.) Although non-governmental links had existed (as the island lies only 20 kilometres south of Singapore), the Indonesian Government planned its development only recently. Previous plans of the mid-seventies had projected Batam as the future "Singapore" of Indonesia but it was later realized that it could not compete with or replicate the stature of Singapore. Government planners later decided to seek external co-operation under a revised plan to encourage domestic and foreign investment with the support of its neighbour. The "Batam project" came into actual implementation only in the last few years after the Indonesian Government began developing the infrastructure. The Batam Industrial Development Authority was set up to manage development on the island. With liberal tax incentives and ownership of project sites (though land ownership was not permitted), foreign firms were attracted to take advantage of the spillover of finance, trade, industry and tourism from Singapore. During the first six months of 1990, for example, Singapore was the largest foreign investor in the industrial area of Batam.[8] The US$200 million Batam Industrial Park is being jointly developed by Singaporean and Indonesian public and

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private sectors. Batam is also developing tourist facilities and housing on leased land for buyers especially from Singapore. Singaporeans make up the largest group of tourist arrivals on Batam and the nearby islands.

Encouraged by the increased opportunities, there was gradual progress from the bilateral relationship of Singapore–Johor and Singapore–Batam to the possibility of a three-way relationship. The Triangle concept was based on a strategy to combine the availability of "cheap" land, labour and resources with capital, modern technology and efficient administration found in the component areas. In fact, the concept's history in the region is very recent. The proposal for such a plan was first suggested in December 1989 by Goh Chok Tong, then first Deputy Prime Minister of Singapore. A concept paper was subsequently shared with the Johor government outlining the objectives of the Growth Triangle between Singapore, Batam and Johor.[9] Subsequent to that proposal, the concept attracted serious discussion by various Johor and Indonesian leaders and other interested parties on its merits and demerits, and on its actual implementation. Singapore, as the initiator, spelled out the advantages of the Triangle — through the three-way linkage — by plugging each of their economies into the global market and by attracting foreign investments through joint ventures with Singaporean partners. Singapore, thus, assumed the task of internationalizing the two sub-regions of its neighbours, integrating their economies through Singapore into the global environment rather than through their national capitals that were physically further away. Singapore, therefore, publicized the concept of the Triangle to foreign enterprises which could then use Singapore as their financial base to expand into the neighbouring sub-regions.[10]

Singapore itself was made commercially more attractive by introducing the merits of its neighbouring territories. The "coupling effect" did indeed seem promising. Tourist spending and length of stay within Singapore would also be increased as it would be able to offer expanded itineraries, while the two neighbouring regions would get a spillover from some of the five million tourists who visit Singapore annually. Singapore has often been described as needing more "room" to expand its industrial activities since land is limited, labour is in short supply, and the hiring of foreign workers has been made increasingly expensive with the imposition of levies and quotas. There appeared to be an urgency to relocate industries elsewhere to use the readily available indigenous labour there. Singapore also saw the potential of those areas as future sources of food (with agriculture and animal husbandry as two areas of activities). Besides Johor as the supplier of water, the Riau province (both the mainland and the islands) has been considered for the supply of additional water to Singapore for its increasing domestic and maritime activities.[11]

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Conflict or Convergence?

Most states project visions of financial centres for their capital cities or regions within their territories. However, the leaders' intentions may remain mere visions if they are impractical. Batam's development was initially planned to be the "match" for Singapore, to attract some of the trade and business direct into Indonesia instead of allowing Singapore the benefits of a middleman, by offering incentives for foreign industries to be established on the Indonesian island. This would then make it the natural gateway to Southeast Asia. However, Indonesia realized that by working on its own it would not be able to transform Batam into a mini Singapore. Foreign investors were sceptical of the government system, its tax and administrative structure, and the infrastructural facilities they would find. Moreover, Batam, a fairly undeveloped island, while being more than 1,000 kilometres from Jakarta, was only 20 kilometres from Singapore. The physical proximity to Singapore dictated that Indonesia co-operate with a regional capital nearer to Batam than its own metropolis. There is already the stated goals and shared commitment from the neighbouring state that could contribute to the Indonesian plans for Batam's development. In addition, Indonesia could take advantage of the existing commercial and tourist ties that linked Batam and Singapore. Thus emerged the bilateral commitment to set aside unilateral ambitions and collectively develop part of Batam as an industrial estate and partly for tourism, commercial and residential purposes. The responses from the link-up have been so positive that the adjacent island of Bintan has also been targeted for development into an industrial and tourist area. The inclusion of Batam and Bintan has, in fact, expanded the possibilities of including the other islands of Riau. What it implies for the Riau province is greater growth and employment opportunities, but at the same time this would create social and structural imbalances with the influx of wealth and workers.

In the case of Johor, the linkage was more complex. As Johor is a constituent state of the Malaysian federation, it enjoys a certain degree of independence as well as faces restriction in its policy-making. The trade and commercial sector of southern Malaysia has expanded as a result of its proximity to Singapore. The federal government has built new air and sea-port facilities in Johor to meet the demands of increased commercial traffic. However, the leadership realized it could not change or avoid the major link the causeway was providing, not only for Johor but also for activities further north. Furthermore, the state government, supported by a dynamic and growth-oriented team, enjoyed good relations with Singapore and was willing to co-operate on development strategies. In fact, Johor and Singapore had already institutionalized the long-standing

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links between them by launching the Johor–Singapore Joint Committee on Business Co-operation in Johor Baru in March 1989 long before there was any serious consideration of a Growth Triangle. (The Committee was first proposed by the Johor Chief Minister in 1987.) The task of the Committee, made up of senior government officials and business leaders from both states, was to identify areas of mutual interest between Johor and Singapore in trade and investment.[12] The Singapore leaders offered incentives to Singapore companies to relocate some of their operations to Johor, while at the same time encouraging other foreign multinationals into the city-state.

While inter-governmental groups in Singapore and Johor have pushed for closer economic links, other sections of society have not been so supportive of the idea. There have been suspicions regarding Singapore's intentions in wanting to expand its activities into Johor. The economic boom enjoyed by southern Johor has also generated another criticism — that prices of food and land have increased because of the influx of Singaporeans and capital. There has been a call from worried businessmen not to build the second link. The "half-tank" rule and later the "three-quarter tank" rule introduced by Singapore to prevent its motorists from filling up with cheaper petrol from Johor also created ill-feelings among some Malaysians. (After several heated debates by individuals and ministers from both sides of the causeway, it was established that the ruling did not deter motorists from entering Malaysia).[13]

Although Johor and Singapore have had bilateral relations, the so-called trilateral relations linking Batam was a new concept that had not been considered seriously. The proposed triangle was in fact an incomplete one. Although Singapore had relations with Batam and Johor, Johor's interaction was only with Singapore, and the Batam link had yet to be fully explored. Thus, the potential for an expanded three-way relationship was still wide open, especially the Indonesian–Malaysian portion. Many Malaysians were apprehensive about the role Singapore would assume in trying to create the trilateral linkage. According to the Johor Chief Minister, the proposed triangle could only be feasible if Batam, Singapore and Johor enjoyed equal status in order to avoid misunderstanding. He himself had discounted the critics, saying that Johor had plenty to gain from Singapore in the three-way association. Thus, the Johor–Batam relationship had to be explored to strengthen the triangle.[14]

Leadership and the Triangle

Leaders play an important role in initiating, encouraging, building and sustaining interest in a particular policy. In the ASEAN countries where

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the state plays the dominant role in both the political and economic sectors, the key to development lies with the public sector more than the private sector, unlike in most developed societies. One of the emerging trends in the newly industrializing economies is the strong presence of the government in collaboration with major business establishments, be they private conglomerates or state-supported companies. The Singapore case is typical of the prevailing pattern where the government participates vigorously in the business arena, either through formulating policies and controlling the environment or through direct and indirect involvement in the business sector itself.

In short, Singapore's political leaders have ensured a thriving economic climate for the regionally and internationally dependent state. And so it is with the Growth Triangle concept; government leaders have been instrumental in introducing it and in providing the incentives to the private sector. The leader most closely identified with the birth of the idea is Goh Chok Tong. Since December 1989 he has actively pursued the concept, inviting leadership support from the other two component countries. It is, however, incorrect to imply that economic co-operation with either Johor or the Riau islands did not exist earlier. What is new is the emphasis on the triangular link that Goh has brought to the fore. As a technocrat, Goh has perceived Singapore's development not only in a pragmatic, less politicized way, but he has tended to offer a Singaporean criteria to development when negotiating with his neighbours. In this instance, he has, to some extent, deviated from the style of the former Prime Minister, Lee Kuan Yew. Lee was responsible for maintaining cordial relations with his counterparts, Prime Minister Mahathir Mohamad and President Soeharto, through the thick and thin of political storms. In contrast, Goh has decided to tread on new ground, having had the benefit of the political climate and goodwill established and nurtured by Lee.

Since early 1990, when he was assured that he would definitely be the prime minister by year's end, Goh has spent considerable energy on his pet project, believing that the survival of a vibrant Singapore was dependent on its association with dynamic neighbours. Most of his public speeches have dealt with the issue of interdependence. Following his "concept paper" and his publicized Hari Raya visit to the Johor leader in May 1990 when the topic was extensively discussed, Goh, in a speech to Singapore's parliament, set out his priorities and directions for the coming years. He noted that, "within ASEAN, there will be a smaller region — a growth triangle, a special region that will grow faster than the rest of ASEAN. . . ".[15] At least one-third of his speech was devoted to the topic, indicating his interest and commitment. He has also expounded his ideas to the foreign media in Singapore and during visits to the other ASEAN countries.[16]

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Although Goh is credited with initiating the idea, he had gathered the support of his colleagues, including the then Prime Minister Lee. Early 1990 brought pessimistic views that global capital and investment would flow into the newly liberalizing states of Eastern Europe. Singapore took the threat seriously. In inviting European industrialists to invest in the region and not to neglect it in the wake of new attractions in Europe, Lee spelt out the Growth Triangle in attractive terms when he addressed French businessmen in Paris. He pointed out that he was offering the services of an already established industrial and manpower sector within Singapore. He also stressed that shared co-operative needs were good for the stability of the area, which in turn could accelerate industrial progress and tourism.[17] The limitations faced by Singapore were a central theme in the call for the creation of the Triangle. Trade and Industry Minister, Lee Hsien Loong, also supported the concept, stating that the Growth Triangle was a means by which Singapore could transcend its physical limitations by making it part of a larger region of prosperity, while at the same time improving relations with its neighbours.[18]

In the case of Malaysia, it is essentially the state of Johor which has been involved in the new sub-regional proposal. The Chief Minister, Muhyiddin Yasin, has given his support since the initial stages while making it clear that his state would not merely be a supplier of primary resources. The State Economic Development Corporation and other private enterprises have been "excited" about the link-up with Singapore and Batam, especially in manufacturing and tourism-related activities. At the federal level, Prime Minister Mahathir Mohamad had also indicated his support, especially with the good relations he enjoyed with the top national leaders of Singapore and Indonesia.

The major indication of public support from Malaysia and Indonesia came when President Soeharto visited the country. While in Kuala Lumpur, Soeharto, together with Mahathir Mohamad, endorsed the proposal.[19] He had on separate occasions met Lee and Goh to discuss co-operation with Singapore in economic as well as military areas. Most of Indonesia's leading ministers, for example, the Finance Minister, the Minister for Mines and Energy, and the State Minister for Research and Technology, among others, have been positive about the future of the proposed triad. B.J. Habibie (Research and Technology, and Chairman of Batam Industrial Development Authority), and Radius Prawiro (Industrial Affairs and Development) have been actively involved in promoting Batam's development. The planned activities have also attracted the interest of the Indonesian media, as reflected in several articles that have appeared on the issue. Batam's development *per se* is not a new issue; it is the proposed close link with Singapore that has commanded much attention within Indonesia.

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One of the results of the Growth Triangle is the frequent meetings between various political leaders of the three countries, including the heads of governments. The national leaders have, since 1989, turned Batam into a popular visiting area and as a venue for "ground-breaking" or "topping-up" ceremonies, or for informal bilateral discussions. Trilateral meetings at Batam (the closest part of Riau) or at Johor Baru may not be too far away. These contacts can only augur well for the future of regional relations.

In the meanwhile, the encouraging trend within the Triangle would not have been feasible if not for a number of crucial factors, namely, a) the creation of a conducive climate for co-operation based on friendly and peaceful relations; b) the political will on the part of those involved to convince their domestic constituents and overcome opposition from various suspicious quarters; c) the role of the government sector in taking the lead in initiating and implementing the concept with commitment from local and foreign entrepreneurs and multinational corporations, and d) the common plans for harmonizing certain policies, for example, in customs and immigration matters, to make the Triangle attractive for prospective businessmen.[20]

Impact on Regionalism

Although the three-way link appears promising, Singapore's initiatives and pivotal role in the Triangle have generated much scepticism and suspicion. The expanding Singapore economy appears to be moving into its neighbour's territories in a rapid succession of activities. Singapore is seen as "desperately" wanting new areas for its manufacturing activities and leisure needs of its people. It also appears that Singapore would gain more, both in the short and long term, as a result of its advanced technological capabilities and developed service sector. At the initial stages, caution seemed to be the basis of the new relationship. Confidence in the benefits of participation through the triangular relationship would be the only guarantee of success of the new venture in sub-regionalism.

The Growth Triangle has implications for the ASEAN region as well. As long as activities at the micro-level are not discriminatory to activities at the larger ASEAN level, the Growth Triangle will be an asset to the three members since it will encourage closer co-operation. The danger, however, would arise if other region-wide activities are neglected in favour of the selected area. With the beginning of widespread public interest and governmental discussion on the Triangle since early 1990, however, economic co-operation at the ASEAN level has not been neglected. It could otherwise be detrimental to ASEAN as an organization which has taken

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pains to promote its economic activities despite facing several hurdles. For regionalism to survive micro-regional activity should be limited to specific, localized policies so that the national leadership can still maintain adequate enthusiasm for collective regional co-operation. Furthermore, macro-level regional goodwill and stability are vital and essential for the promotion of micro-level regional co-operation.

Nevertheless, economic co-operation at any level need not wait indefinitely for macro-level consensus. If successful, the Triangle concept could be applied to other parts in the ASEAN region, especially in areas that could benefit from specific fields of neighbourly co-operation. With increased competition in global trade and investment, regional groupings can take the lead in promoting growth and stability for their members as well as for specific areas within the member states. Success can only be assured if leaders select carefully those policy areas in which there is a convergence of interests and take advantage in exploiting those common goals.

The encouraging signs of the "triangular" model has prompted suggestions by Malaysian economists for similar ventures, for example, linking the northern states of Peninsular Malaysia, southern Thailand and northern Sumatra, with Penang, Medan and Surat Thani as the centres.[21] A natural link (geographical, cultural and informal economic) already exists between southern Thailand and northern Malaya; this link needs to be formally developed with the inclusion of Sumatra into the "Northern Triangle". It would be a boost to the further development of natural resources, industries and tourism in the three regions. Thailand has indicated that its planned Southern Seaboard Project would also benefit from the proposed economic triangle. The momentum for the Northern Triangle has recently been stepped up with the interest shown by the Malaysian federal government. Initially, the four northern states of Penang, Perlis, Kedah and Perak had expressed interest in co-ordinating certain economic activities so that they could act together when co-operating with the other two regions. This has now been strengthened with the central government's appointment of the former Finance Minister, Daim Zainuddin, to oversee the development of triangular co-operation in this area.[22]

Optimistically speaking, one could cite other possible areas of micro-level co-operation within ASEAN; for example, the triangle of Labuan, Brunei and Sarawak, or Sarawak, Brunei and Sabah. It may not even have to be a threesome; any two sufficiently interested and committed partners could plan their development strategies together and this might attract other participants. What is crucial is the leadership and the drive to harness the available infrastructure and resources to pursue the desired developmental goals on a co-operative basis. And the fewer the number of players, the easier it is to co-operate effectively.

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Concluding Remarks

Conflicting interests are inevitable in regional interactions. However, regionalism need not be a zero sum game for any one partner. The option should be to select those areas with converging interests and reap the benefits of regional co-operation. ASEAN has shown the possibilities available in macro and micro-level co-operation. In addition to regional schemes, such as the Preferential Trading Arrangement (entered into in 1977, ten years after the formation of ASEAN), and the proposed ASEAN Free Trade Area to be implemented over the next fifteen years or so, the macro-level attempts at economic co-operation will continue to operate alongside the sub-regional level.

As the Growth Triangle of Singapore, Johor and Riau indicates, the current interest in regionalism also favours smaller scale economic activities, although it had initially been overlooked by ASEAN leaders as an area of co-operation. If national leaders relax some of the grip over decision-making in their sub-national units, and allow them to forge links with neighbouring entities, it would expand the scope of regional co-operation. However, the role of the national leadership is still paramount in any sub-national ventures linking public and private sectors.

The narrow sub-regional political support within a state or province may not be adequate to ensure the success of bilateral or trilateral co-operation. Local sceptics have to be convinced of the political and economic merits of extra-national linkages. Not only is central government support needed in gaining domestic and external support for the growth triangles, but the state (or province) also needs the close co-operation of the centre in the delicate balance of "centre–periphery" ties, or federal–state relations. This is a significant theme in national politics that cannot be neglected when discussing the Growth Triangle, more important in the Johor–Malaysia case than in the Riau–Indonesia case (the former adhering to a federal constitution and the latter to a unitary system of government). Only with the full support of political forces can sub-regions within a federal system promote co-operation without risking political reprisals. Singapore, on the other hand, has the advantage of being a single island state.[23]

In the Riau–Singapore–Johor triangle, the Riau–Singapore collaboration is based on the national leaders' agreements, while the Johor–Singapore collaboration appears to be more on the state leaders' rapport with Singapore. Thus, there is a structural difference in the two component parts of the triangular relationship.

Whichever system is practised — unitary or federal — what is necessary for a successful growth triangle is a supportive centre–state (province)

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relationship, a friendly and conducive external linkage among neighbouring countries that can take advantage of converging interests, and a dynamic, far-sighted leadership at the sub-national level that grasps the opportunities offered by its own national governments — without appearing to challenge or by-pass the higher authority. By collaborating with other like-minded sub-national and national governments, the combined leadership can then provide the political and administrative support for public and private sector co-operation.

NOTES

* This is a revised version of a paper first presented at the Asian Studies Association of Australia Conference, Brisbane, 2–5 July 1990. I am grateful to the editor and referee for helpful comments on an earlier draft.

1. The two-volume *ASEAN Bibliography* published by the Institute of Southeast Asian Studies gives an insight to the literature found on ASEAN. For a recent overview of the topic, see Frank Frost, "Introduction: ASEAN since 1967 — Origins, Evolution and Recent Developments", in *ASEAN into the 1990s*, edited by Alison Broinowski (London: Macmillan, 1990), pp. 1–31.
2. The per capita income figures are only estimates, gathered from various sources. Some sources show the lower end of the list of countries with another hundred dollars extra, and those on the upper end with a couple of thousand dollars extra.
3. The dyad, in its original sociological meaning, refers to a social group with two members; the active participation of both members is necessary to sustain the group's vitality.
4. In 1988, for example, out of 24 per cent of Malaysia's exports going to the ASEAN states, 19 per cent went to Singapore (the single highest destination for exports). In Singapore's case, out of its 23 per cent of ASEAN exports, 13 per cent went to Malaysia. The percentage shares for both countries in each other's trade matrix are lower compared to a decade earlier as both have expanded their markets in the rest of the world. For intra-ASEAN trade matrix see, Seiji Naya and Michael G. Plummer, "ASEAN Economic Co-operation in the New International Environment", *ASEAN Economic Bulletin* 7, no. 3 (March 1991): 261–76, Table 2.
5. Unlike the dyad, the triad is a group with three members, or a three-way relationship. However, any two members may intensify their relationship without harming the triad. The so-called Triangle discussed in this paper can be viewed from this perspective. Other terms used interchangeably are "tripartite" and "trilateral". The term "Triangle", in fact, has been used in several studies, most often in international relations, for example, in reference to the Washington–Moscow–Beijing triangle, or the Australian–New Zealand–United States (ANZUS) triangle. There is also the Golden Triangle in Southeast Asia, referring to the border region of Burma, Laos and Thailand which is known for the illegal production of opium and other drugs for the international market.
6. New Straits Times, 25 May 1990. Although the benefits are clearly visible, there have also been complaints from several strata of Johor society. One effect is the rising cost of living, believed to be linked to the large number of Singaporeans going into Johor daily for shopping and entertainment. The price of real estate had also gone up between 10 and 20 per cent in 1990–91. The state government was studying the problem and would determine if the inflation was due to Singaporean shoppers. See New Straits Times, 18 April 1991.

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7. More than one million Singaporeans visited Johor in 1990, spending about M$1 billion on food, shopping and entertainment. Johor Baru was also the entry point for 12.7 million visitors in 1990, according to a minister in the Malaysian tourism ministry. *Sunday Times*, 14 April 1991.

   Plans to build the second link to ease the congestion at the causeway have been under way. The decision appears to be in favour of a bridge, linking south-west Johor to north-west Singapore.
8. *Straits Times*, 2 December 1990. During the first six months of 1990, Singaporeans invested US$327.6 million in Batam out of a total of US$559.7 million invested by ten countries. The United States was the second largest investor, followed by Hong Kong, Japan and the Netherlands.
9. *Straits Times*, 24 May 1990. The "concept paper" was prepared by the Economic Development Board of Singapore.
10. The Growth Triangle has been a favourite topic of major speeches by either Lee Kuan Yew, Goh Chok Tong or Lee Hsien Loong. When Lee Kuan Yew toured Europe in May 1990, he extolled the merits of the Triangle and invited Europeans to invest in the region. During the Global Strategies Conference held in Singapore, the concept was also widely discussed. See *Straits Times*, 24 May 1990, and 6 June 1990.
11. The Riau islands had already been supplying sand for the reclamation of vast areas of Singapore's coastline and its adjacent islands.
12. *Straits Times*, 30 June 1989.
13. The three-quarter-tank rule introduced in February 1991 requires a Singapore-registered vehicle to have its tank three-quarters full when leaving the immigration checkpoint at the causeway, otherwise it was an offence. The price differential for petrol between the two countries was so high that it was worthwhile to fill up the tank in Johor, thus depriving Singapore of its revenue, as the government claimed.
14. *Straits Times*, 25 May 1990.
15. *Straits Times*, 14 June 1990.
16. Goh discussed the idea in an interview he gave to the *Hong Kong Standard*. Reprinted in the *Straits Times*, 23 June 1990.
17. In an interview with *Le Monde*, reported in the *Straits Times*, 21 May 1990. See also *Straits Times*, 24 May 1990.
18. *Straits Times*, 5 June 1990.
19. Ibid.
20. The "smart-card" system for frequent visitors to Batam was introduced in August 1991. With the card, local and foreign businessmen based in Singapore and working in Batam do not need their passports to enter Batam. This system is also being considered for other parts of Riau. The Johor Chief Minister has recently indicated his interest in introducing a similar system for travel between Johor and Singapore and Johor and Batam to ease travelling for regular commuters.
21. *Straits Times*, 24 and 25 August 1990.
22. Prime Minister Mahathir Mohamad announced that Daim Zainuddin would be given special ministerial status. Among his duties was the co-ordination of plans with Indonesia and Thailand on the Northern Growth Triangle. See the *Star*, 30 August 1991.
23. Some of the concepts related to the centre–periphery argument are developed further in an expanded study I am engaged in.

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ASEAN: Where from or Where to?*

MARK G. ROLLS

It is now widely recognized that the Association of Southeast Asian Nations (ASEAN) has reached, in respect of all its spheres of activity, a watershed. A number of factors influencing its previous pattern of development have changed as can be seen in the set of regional and international circumstances which ASEAN now faces. At the same time, there are already some indicators as to the direction the Association may take in the future. The books under review here successfully provide the basis on which an analysis of these two aspects can be made. This article, therefore, traces the development of ASEAN co-operation in the political, economic, and security spheres, and attempts to consider how the aforementioned changes are likely to affect this co-operation and what shape it may take in the future. It reaches the conclusion that the forthcoming Singapore summit will need to set clear directions for ASEAN co-operation if the Association is to progress further and avoid becoming circumspect and outdated.

It is common, at times of change, for many international organizations (and particularly those who analyse them) to engage in reflection about times past. Certainly, the Association of Southeast Asian Nations (ASEAN) has acknowledged that it is now facing a set of changed international and regional circumstances — this acknowledgement being made at the Annual Ministerial Meeting (AMM) in Jakarta in 1990, and reiterated at the Kuala Lumpur AMM in 1991. Should any institutional reflection lead to excessive circumspection, however, then the Association may become moribund and not the "dynamic" body that its members appear to want.[1]

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Fortunately though, most of the recent reflection about ASEAN's past history is found in academic circles, with the Association itself appearing to recognize the dangers of circumspection: "If ASEAN remains the way it is, it's not going anywhere".[2]

The aim of the book *ASEAN into the 1990s*, edited by Broinowski, is to look both backward and forward, thereby illustrating both past achievements and potential difficulties, whilst that by Antolik, *ASEAN and the Diplomacy of Accommodation*, seeks to come to terms with what the Association is and highlight what it has achieved and what its significance is. In this sense, taken at a rather simplistic level, the former book can be seen to represent the "where to" side of the equation and the latter, the "where from" one. Of course, only by coming to some understanding as to the nature of ASEAN and the way in which it works is it possible to assess how it may develop in the future.

ASEAN is multifaceted in what it is thought to be and in the various areas in which it is involved; its nature is, therefore, difficult to define. Perhaps, given this intangible nature, it is best to avoid precise definitions, the search for them only leading to apoplexy and the failure to recognize that ASEAN's essence (and, arguably, central problem) is the fact that it is not readily definable.

Antolik, although beginning by seeking the "meanings of ASEAN", does not fail to capture its essence. He attributes it with the qualities of a "spirit" and thus contends that it can be regarded as an amalgam of different components. "'ASEAN' can refer to an inter-governmental organization, a consultative process among members, and a geographic expression."[3] *ASEAN into the 1990s* does not seek to define what the Association is, a task already attempted by its predecessor,[4] but in examining various aspects of ASEAN's *modus operandi* in the fields of politics, economics, and security, it does capture the essence of the Association's development so far. Thus, the book conveys the impression that it is almost miraculous that the Association exists at all and has made any progress, yet, at the same time, it could do so much more.

If the nature of the Association can be discerned then, *ipso facto*, so can the way in which it works. While Antolik may provide a definition of ASEAN as an "amalgam", he gives a narrower focus by contending that it is, above all, a political process. This political process is aimed at the management of conflict between the member states and can be characterized as the "diplomacy of accommodation". In other words, ASEAN is a non-aggression pact resting on adherence by its members to the principles of restraint (that is, non-interference in each other's internal affairs); respect (evinced by frequent consultation); and responsibility (that is, the consideration of each other's "interests and sensitivities").[5]

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Although ASEAN can be seen as essentially a "political process", it is important to recognize that it is a highly complex one and has a number of aspects to it. This political process now goes far beyond the bounds of a non-aggression pact and has led to various forms of co-operation in the political, economic, and security spheres. In assessing these spheres of ASEAN activity, it will be possible to consider the Association's future.

Political Co-operation[6]

Since its founding days ASEAN has, in respect of political co-operation, suffered from something of a paradox. The Bangkok Declaration may have declared the Association's main aims to be the promotion of "economic growth, social progress and cultural development" but, as Frank Frost notes in the introductory chapter of *ASEAN into the 1990s*, it also hinted at the "underlying political purpose":[7]

> The countries of Southeast Asia share a primary responsibility for strengthening the economic and social stability of the region and ensuring their peaceful and progressive national development and ... they are determined to ensure their stability and security from external interference ...[8]

This desire to achieve regional stability (the "political purpose" of ASEAN), in order to assist in regime maintenance in the light of the threat posed by ongoing indigenous insurgencies, meant that the founding members had to agree to political co-operation in the sense of easing tensions and limiting competition between them. It is important to recognize that the foundations of this co-operation were established, initially, on bilateral bases. This factor, Antolik emphasizes, lies at the heart of ASEAN's development. Thus, "states learned the utilities of accommodation and co-operation, so often referred to as the 'ASEAN spirit', bilaterally":[9] the most important bilateral relationship, the one on which ASEAN was built and which represents the "core" of the Association, being that between Malaysia and Indonesia.

The Association's pursuit of political co-operation, as a means by which the members sought to alleviate tension among themselves and also in the wider Southeast Asian context, can be seen in the formal declarations and treaties signed in the 1970s. Indeed, the 1971 Kuala Lumpur ZOPFAN (Zone of Peace, Freedom and Neutrality) Declaration, and the 1976 Treaty of Amity and Co-operation, and Declaration of ASEAN Concord, all make overt references to the need for such co-operation. The 1971 Declaration thus aimed to "bring about a relaxation of international

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tension and lasting peace in Southeast Asia through the prevention of interference by outside powers and the encouragement of greater co-operation among the indigenous states".[10]

The need for co-operation expressed in 1976 was motivated by a sense of urgency generated by communist victories in Indochina (and the associated fear that Vietnam may support communist insurgencies in the ASEAN members themselves) and concern about the concomitant U.S. withdrawal from South Vietnam. The Declaration of ASEAN Concord was thus a clear political statement emphasizing the need to promote national and ASEAN resilience, whilst the Treaty of Amity and Co-operation in Southeast Asia — besides its emphasis on peaceful interaction among the region's states — aimed "to promote active co-operation . . . in matters of common ideals and aspiration of international peace and stability in the region and all other matters of common interest".[11]

Such statements, however, belie the difficulties ASEAN has faced in achieving political co-operation, these difficulties resulting from an underlying problem affecting the Association: namely, the existence of intramural differences between the member states.[12] The existence of such differences may have been one reason why the Association sought to avoid making reference to political co-operation at its founding, despite its "underlying political purpose", preferring instead to stress the less controversial areas of economics, social progress, and culture. In seeking political co-operation to preserve its members' independence and security in the light of these differences, however, ASEAN has found it difficult to achieve without rendering much of that co-operation superficial.

Antolik contends that the difficulty of achieving co-operation, despite its evident desirability, has led to ASEAN developing a number of mechanisms for ameliorating differences and demonstrating unity. These mechanisms include "codewords", "ambiguity", and, most importantly, various meetings which represent displays of "solidarity".

Codewords and ambiguity are closely linked, their main purpose being to assist the process of accommodation and consultation. "ASEAN", Antolik contends, is itself a powerful codeword. It is one which can generate a sense of success (possibly a false one), and can act as both a focus for foreign policy-makers and a means by which member governments can overcome domestic opposition by reference to a higher ideal. Other codewords include "ZOPFAN" and "national resilience". Ambiguity is especially important in assisting accommodation, as "it allows individual states to perceive the ASEAN process as serving its particular interests. Moreover, ambiguity applied to foreign policy, through broad articulations and displays of unity, keeps down the cost of solidarity."[13]

It is in the context of displays of solidarity that the multiplicity of

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ASEAN meetings must be seen. To a large extent they represent an attempt to cover up for a lack of real substance to political co-operation and, indeed, are perhaps only significant as an end in themselves. "When they cannot find common words, or need more time to determine them, or feel that actions speak louder, ASEAN states have used displays of solidarity."[14] Such displays, Antolik notes, do not place restrictions on members in the same way as policy statements would.

The prime example of these displays of solidarity are the Special Foreign Ministers Meetings and the Heads of Government Meetings (Summits). The special Foreign Ministers Meetings are aimed at signalling "extraordinary solidarity" during times of acute crisis. The one held in January 1979 after the Vietnamese invasion of Cambodia is a case in point. Indeed, the need for such displays was particularly important during periods of tension in ASEAN in the 1980s over differing views about the Cambodian problem and in order to support Thailand, the "frontline" state, during periods of Vietnamese success in Cambodia or aggression against Thailand.[15]

The three Summits held so far (Bali 1976, Kuala Lumpur 1977, and Manila 1987) can also be seen to represent displays of solidarity during difficult times for the Association. The Summits in 1976 and 1977 occurred when there was a need to reconfirm the members' commitment to each other in the wake of communist victories in Indochina, and the one in 1987, at a time when the stability of a member itself, the Philippines, was threatened.

It is ironic, given that Summits can be viewed as displays of solidarity, that they are not held more frequently because there is a fear that a "very public form of diplomacy highlights the members' actual lack of solidarity on many issues".[16]

At this juncture, an important point about ASEAN's future can be made with reference to Summits. Antolik contends that Summits should not be regarded as part of the attempted process of ongoing political co-operation (instead, this should occur at other levels, particularly the AMM) because they could lead to a number of difficulties such as challenges being dealt with publicly, with no end result being deemed a failure, and the associated problems of unfulfilled expectations.

The nature of the forthcoming Singapore Summit goes against this pattern, however, as it has already been identified at the Kuala Lumpur AMM in 1991 as representing the point at which ASEAN's direction in the 1990s and beyond will be mapped out: "ASEAN diplomats ... were upbeat that at the Singapore summit of the grouping in January [1992] their leaders would come up with a plan to set directions to cope with changing global alignments."[17] Thus, expectations have already been raised

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and if ASEAN's credibility is to be maintained they will have to be largely fulfilled. This will require political co-operation of the most concrete kind; that which leads not only to the articulation of clear policies but to their implementation, too.

If the Singapore Summit is tasked with delineating and developing new areas of political and, especially, economic co-operation then it is increasingly likely that an issue which has dominated ASEAN thinking and co-operation for the past decade (that is, Cambodia) will be taking a back seat. The Cambodian and, indeed, wider Indochina issue has been highly significant for ASEAN political co-operation: "ASEAN's image as a cohesive entity and one of the most successful Third World regional organizations is due in large measure to the patterns of consultation and consensus built up in reaction to events in Indochina."[18] ASEAN's stance over Cambodia, achieved despite considerable intramural differences, has been the Association's main focus of political co-operation (besides that of reducing tensions between members) since its formation. If, as seems possible, some form of settlement to the Cambodian problem is within sight then that focus will be lost.

It is difficult to foresee what could replace it. ASEAN has, to a large extent, been a "single issue" organization in terms of the external focus of its political co-operation. The sort of issues the Summit is likely to consider will primarily be in the economic sphere. Security concerns will provide some focus and, inevitably, political and security co-operation are interlinked. In this respect, one of the security concerns likely to be considered will revolve around Japan's future role in the Asia–Pacific. The question of Japan's regional role could provide an area in which ASEAN may seek political co-operation in the sense of a co-ordinated response to Japanese foreign and aid policies. Japan's economic might has played a significant role in contributing to the stability of ASEAN[19] and the Association will want to encourage further assistance and investment by demonstrating its cohesion. At the same time, the ASEAN members will have many of the same concerns (based on shared historical experience) about the nature of Japanese policy in the region, and may seek to speak with a collective voice. Having said this, however, it is difficult to see how such ephemeral concerns can be translated into active political co-operation.

The same can be said about other areas which are identified in *ASEAN into the 1990s* as having the potential to generate concerns: namely, population growth and Islamic revivalism.[20] It is hard to see how co-operation on these issues can occur as they do not affect all members to the same degree, and any joint policy would break some of the principles of ASEAN accommodation, especially that of non-interference.

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Economic Co-operation

In many ways the area of economic co-operation can be seen as the converse of that in the political sphere. Political co-operation as such, despite the "underlying political purpose" of the Association, was not stressed in ASEAN's founding declaration and yet it has occurred. Indeed, it has been the most visible aspect of the Association. Conversely, economic co-operation was emphasized,[21] but it has largely failed to materialize. Srikanta Chatterjee, in *ASEAN into the 1990s*, provides a rather damning indictment of that co-operation to date: "The economic importance of the association . . . could be said to derive more from the rapid growth and development performance of some of its member economies than the collective strength and cohesion of the association itself."[22]

During the first "phase" of ASEAN's development (up to 1976), the economic aspect was largely ignored, with the emphasis being very much upon political and diplomatic co-operation. The year 1976, that of the Bali Summit and associated "Declaration of ASEAN Concord", marks an attempted turning-point in the field of economic co-operation. Just as the need for political co-operation was motivated then by a sense of urgency generated by communist victories in Indochina, so too was the perceived need for real economic co-operation. This perception resulted from the belief, firmly rooted in the Association's founding ethos, that economic development was the best way in which to ensure members' security in the face of threats posed by domestic insurgencies.

Accordingly, the Declaration of ASEAN Concord emphasized, also, the need for economic co-operation and established the framework within which this was supposed to occur. The Declaration, therefore, identified the areas in which co-operation would take place (including, for example, basic commodities, industrial projects, trade liberalization, and approaches to commodity problems), and the type of mechanisms which were meant to facilitate this co-operation, foremost among these being the establishment of preferential trading arrangements (PTA) and ASEAN industrial plants.

Although such mechanisms were actually established,[23] their successful operation was hampered by difficulties revolving around the nature of ASEAN members' exports; the diverse nature of the ASEAN economies; the unwillingness to participate in joint projects; and the nature of items covered by trade arrangements. Consequently, by the time of the Manila Summit in 1987 little progress had been made.

The Manila Summit acknowledged this state of affairs and sought to remedy it by announcing new measures to further facilitate economic co-operation. The prime one was the stated intention to put half of intra-ASEAN trade under the existing PTA after five years, with limits being

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placed on the current PTA exclusion lists (that is, those goods to which PTA did not apply). It is important to note, as an interesting precursor to recent developments, that Chatterjee makes reference to the belief held by the leaders at the Summit "that an overly ambitious attempt to create a free trade area or a customs union was unrealistic at this stage".[24]

Despite the impetus to greater economic co-operation provided by the Manila Summit, progress to date has still been slow, Chatterjee concludes, especially in the area of trade and industry, where the greatest efforts have been urged and attempted. Success has been achieved mainly in cases where intra-ASEAN competition was not an issue (for example, the area of posts and telecommunications), and where non-ASEAN assistance has been provided. ASEAN trade continues to be conducted primarily outside the Association, with Japan, the United States, the European Community, and the Asian NICs (newly industrialized countries), and these trading partners are also the largest investors in the ASEAN economies. Industrial collaboration has also been successful with third countries, rather than with just the ASEAN members themselves.

Bearing these relationships in mind, Chatterjee proposes that an effective industrial development strategy could be drawn up for ASEAN. Such a strategy would encompass projects which employ complementary skills and resources from the ASEAN members; the projects would be situated according to economic viability; assistance in the form of investment and technology would be sought from external countries; the resultant products would be freely traded; and export markets in other developing countries would be sought, too. In conjunction with such a strategy, and in order to facilitate its effective implementation, some ASEAN members (especially Thailand, Malaysia, and Indonesia) would need to engage in the development of their infrastructure.

The exception to the general pattern of ASEAN economic co-operation, one which makes full use of the above idea relating to the use of complementary skills and resources, is that which has occurred at the sub-regional level. This co-operation has taken shape in the so-called "Growth Triangle"[25] linking Singapore with the state of Johor in Malaysia and the province of Riau in Indonesia.

The Growth Triangle functions by virtue of the fact that the linking of the three areas enables industries which are located in the Triangle to take advantage of the skills and resources available in each of its three legs — for example, cheap land and labour available in Riau or the developed infrastructure of Singapore. By co-operating in such a way the growth potential of the area covered by the Triangle is considerably increased. Although the market-driven link between Singapore and Johor preceded the enunciation of the concept, the addition of Riau and the increased

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pace of co-operation since 1989 is the clear result of co-operative national government decision-making.

Given that (with reference to political co-operation), Antolik noted, broad-based co-operation in this sphere was founded on bilateral co-operation, there is scope for arguing that future attempts at ASEAN economic co-operation should rest upon the strengthening of bilateral, or trilateral, economic links. The Growth Triangle provides an example of this.[26] Indeed, it was suggested at the 1991 ASEAN Roundtable on ASEAN Economic Co-operation in the 1990s, organized by the Institute of Southeast Asian Studies, that the Growth Triangle could provide a valuable lesson for, and demonstration of, such co-operation among the ASEAN members — co-operation which could extend to ASEAN as a whole.

The issue of economic co-operation has certainly come to the fore since 1990, when ASEAN began to be acutely aware of the changed set of circumstances which it faced and the consequent need to revitalize the Association. The issue of economic co-operation has received particular attention as economic concerns (primarily generated by the fear that difficulties faced by the Uruguay Round of the GATT [General Agreement on Tariffs and Trade] negotiations which herald a move towards a global trading system dominated by blocs such as the North American Free Trade Area and the European Community's single market) are increasingly important for the ASEAN members, whilst, simultaneously, political ones may be becoming less so.[27] "The issues that gave ASEAN its *raison d'etre* and cohesion — the cold war, Cambodia — no longer hold centre stage. New challenges face the grouping; and unlike the challenges of the past two decades, these are as much economic as political.[28] Thus, it appears highly likely that the Association's prospective focus for its future cohesion and development will be provided by the issue of economic co-operation.

An unsuccessful attempt was made by the Philippine Foreign Minister, Raul Manglapus, to initiate this focus at the Jakarta AMM in 1990 when he raised the idea of an ASEAN economic treaty.[29] Subsequently, the ASEAN Economic Ministers Meeting at Bali later in the year adopted a proposal for a common effective preferential tariff scheme.

The debate about economic co-operation has moved several stages since then and now revolves around the concept of an ASEAN Free Trade Area (FTA). This FTA was proposed by the Thai Prime Minister, Anand Panyarachun, at the end of June and was widely discussed at the Kuala Lumpur AMM which followed in July. Indeed, the Foreign Ministers endorsed the proposal in their communiqué although with the caveat that further meetings would have to be held before it could be adopted.[30]

The expectation is (and this could, as noted in the section on political co-operation, present the Association with difficulties) that the Singapore

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Summit will combine the Thai proposal with those of the Philippines (due to submit a detailed study of an economic treaty at the Summit) and Indonesia (which has endorsed the common effective preferential tariffs scheme) and announce ASEAN's intention to create a FTA by the turn of the century. Given the past record of ASEAN economic co-operation, and the fact that some members will not immediately benefit from a FTA,[31] it is clear that its adoption will need to be accompanied by a firm commitment to binding rules — rules which could be provided by an accompanying economic treaty.

If such a treaty were adopted it would signify a crucial and irreversible step not only in economic co-operation, but also in the pattern of the Association's development as a whole.

> If adopted, such a treaty would radically alter the customary mode of ASEAN co-operation, association officials say. Instead of moving along at a slow and often erratic pace, unencumbered by targets or deadlines, a new treaty would impose obligations (for the first time) on member states.[32]

Security Co-operation: The Hidden Dimension

The area of security co-operation is arguably the most perplexing one for anyone analysing ASEAN to write about. For although security has been referred to in an overt, formal, way less often even than political co-operation,[33] it has undeniably lain at the heart of ASEAN since its formation. The identification of ASEAN as a security organization, however, Antolik astutely notes in his preface, is usually because it is falsely associated with the now defunct Southeast Asia Treaty Organization (SEATO) or, and this is perhaps less ill-informed, because security co-operation does occur on a bilateral basis between ASEAN members. To understand the real nature of ASEAN security co-operation[34] one must return to the Association's founding purpose identified earlier.

This founding (political) purpose, it will be remembered, was to ensure the survival of the member states through the promotion of regional stability and the limitation of competition between them. At the time of ASEAN's establishment, regional stability was most clearly threatened by the prevailing indigenous insurgencies, which had the potential to generate undesirable external power involvement in the region.

ASEAN's founding security concern was, therefore, threefold. First, the Association's members sought to pursue socio-economic development in order to reduce the threat posed by communist insurgencies — this aim being crystallized in the notions of "national" and "regional" resilience.[35] Secondly, the Association sought to reduce the role and influence of

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extra-regional powers, particularly in the military sense. Thus, the "Bangkok Declaration" asserted that foreign military bases in the region were of a purely temporary nature, and established "security from external interference" as an "objective".[36] Thirdly, the Association sought to limit competition, and improve the relationships between members. Security, therefore, Michael Leifer contends, would be "a by-product of institutionalized regional reconciliation".[37]

Whilst there is a broad consensus over these aspects of ASEAN security thinking, there were considerable differences among the members on which were the best policies to pursue, particularly in respect of the second and fourth aspects.[38] Thus, although these aspects of ASEAN security thinking were reflected in subsequent declarations and treaties (that is, the ZOPFAN Declaration; the Treaty of Amity and Co-operation; and the Declaration of ASEAN Concord), these formal statements employed some of the mechanisms identified earlier for ameliorating differences, especially ambiguity based on "broad articulations". Nevertheless, these formal statements are significant because they have, until very recently, formed the basis of debate about ASEAN security policy in the future.[39]

ZOPFAN was first enunciated in 1971 and a blueprint for it was subsequently adopted at the Bali Summit in 1976. As noted earlier, ZOPFAN has two components to it, but it is the first one (the "prevention of interference by outside powers") which has attracted the most attention. This, Alagappa argues, is because the blueprint focuses almost exclusively on relations with external powers and, in popular conception, this has come to mean the exclusion of an external military presence in the region. In other words, he contends, one of the means (that is, neutrality) has been given the same importance as the goals (that is, peace and freedom).[40]

According to the blueprint, "ZOPFAN may be deemed to exist when the regional states are free to pursue national development and regional co-operation without interference from outside powers".[41] Given that there are differences among the members over the nature of ZOPFAN, and the continued involvement of external powers in the region (particularly with regard to Cambodia), it has proved impossible to state its existence yet. ZOPFAN is still significant, however, as it has been the primary declaratory security policy of the Association.

The Treaty of Amity and Co-operation and the Declaration of ASEAN Concord can be seen to reflect the other aspects of ASEAN security thinking: the former emphasizing the need for peaceful relations with the other states in the region (and, as such, being open to accession by non-ASEAN states), and the latter stressing that security could be achieved through national and regional resilience. Moreover, the Declaration of ASEAN Concord is important because it encourages security co-operation

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in the military sense between the members, albeit on a non-ASEAN basis.[42]

The Vietnamese invasion of Cambodia in December 1978 not only rendered much of ASEAN's security thinking irrelevant but also led the Association to adopt policies which were contradictory to those previously stated. The invasion, Leifer contends, represented a "turning point" for ASEAN's security role as it not only violated the "sanctity of national sovereignty" (emphasized in the Treaty of Amity and Co-operation) but also upset the prevailing balance of power and posed a direct threat to Thailand's security.[43] ASEAN could not hope to respond militarily, only diplomatically — a response which might have proved insufficient. Consequently, ASEAN sought extramural assistance, which meant that there was a contradiction between the ideal theory and the actual practice of regional security.

Certainly, ASEAN's Cambodian policy was contrary to the idea of ZOPFAN as "it increased Chinese influence and Soviet interference in the region, while at the same time fostering a dangerous level of political, economic, and military dependence by individual members of ASEAN on the US".[44] Yet, although this was the case, the way in which ASEAN responded (Leifer argues that, in opposing Vietnamese dominance, ASEAN acted as an alliance, one which employed diplomatic methods) meant that the Association did engage in effective security and political co-operation, which transcended intramural differences.

If the Vietnamese invasion of Cambodia simultaneously rendered existing ASEAN security thinking irrelevant and led to ASEAN adopting other, contradictory, approaches, then the resolution of the Cambodian problem may provide an opportunity for ASEAN to amend its security policy; with the possibility that it may return to its earlier pronouncements. Certainly, Tim Huxley, writing in 1988 when there was an onset of moves towards resolving the Cambodian problem, recognizes that such a resolution would reduce the need of the ASEAN members to align themselves with external powers. In conjunction with these moves, there was also the beginning of a Soviet "retrenchment", he notes.

These developments concerning the role of external powers, combined with the need for ASEAN to find a new direction in the event of a resolution of the Cambodian problem, lead Huxley to suggest that future ASEAN security policy could revolve around attempts to reduce the "intrusion" of external powers. Such a policy could be directed towards the removal of superpower bases and this would prove beneficial as it may give ASEAN "some influence over the timing and pace of what may be virtually an inevitable process in the medium term".[45]

In other words, ASEAN could launch a new initiative based on

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ZOPFAN and the associated concept of SEANWFZ (Southeast Asia Nuclear Weapons Free Zone).[46] Huxley, of course, recognizes that this may "perpetuate" intramural tensions and, given the continued existence of individual members' defence ties with external powers, ZOPFAN would remain an "objective rather than a reality".[47]

Huxley gets closer to defining future ASEAN security thinking in terms of ZOPFAN (although he does not make the connection) when he refers to the need for ASEAN to seek to remedy its longstanding intramural tensions in order to promote regional security. He cites the familiar example of the dispute between Malaysia and the Philippines over Sabah. Of greater significance, though, is his reference to the tensions created by the so-called "arms race phenomenon" within ASEAN (although "arms buildup" would actually be a more fitting description). The establishment of some form of arms control regime by the ASEAN members would, he contends, "do a lot more for their long-term security (in the widest sense) than the expansion of the present level of military co-operation between individual members to involve a multilateral, institutionalized military pact".[48]

This idea, based on original ASEAN security thinking, of improving the collective security of the Association by reducing intramural tensions/competition between members, may become more significant should the potential divisiveness of the various conflicting territorial claims in the South China Sea be realized. Already, there have been problems relating to the intrusion of fishermen into territorial waters claimed by two members, as for example, when Filipino fishermen were seized by the Malaysian authorities in April 1988.[49] On the other hand, Sheldon Simon argues, the "external" security aspect of the South China Sea issue (that is, the threat posed by China, which may seek to pursue its territorial claims militarily) has led to greater intra-ASEAN military co-operation. "Indonesia and Malaysia have defined a common security interest in developing their South China Sea jurisdiction. They exercise regularly together and with Singapore and Thailand."[50] Simon goes on to note, though, that the ASEAN members could really only effectively defend their maritime jurisdictions with the aid of external security partners, such as the United States and Australia.

It is, indeed, the external aspect of security which is dominating ASEAN thinking on security co-operation at the moment. This thinking revolves around concern about the impact of the reduction of superpower involvement in the region and the related perception that a "power vacuum" may occur, which could lead to an increased role for regional powers such as China, India and, especially, Japan. The difficulty is, and this is reflected in the plethora of meetings and seminars about security issues, what form should future ASEAN security policy take.

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Essentially, and this relates to differing views among the members, there appear to be three approaches under consideration. First, ZOPFAN; secondly, the Treaty of Amity and Co-operation; and thirdly, the Post-Ministerial Conference (PMC) process. It is the last, the PMC, which has recently attracted the most attention.[51]

The idea that the PMC could provide a forum for a political-security dialogue which could enhance regional security had been openly discussed,[52] and it began to take shape at the Kuala Lumpur AMM in July 1991 when ASEAN Foreign Ministers agreed that the PMC "should be used as a forum for informal discussion on regional security".[53] The AMM did not go beyond this, however, by "institutionalizing" a security dialogue in the form of a meeting of senior officials prior to the PMC to solely discuss security, as a Japanese proposal had suggested (with the ASEAN ministers only agreeing to study the proposal).

Nevertheless, the PMC, as a security dialogue, still merits attention as a future security mechanism for two reasons. First, it could provide a means by which Japan's legitimate interests in the region could be discussed and problems resolved. As noted earlier, ASEAN needs to find some way of responding to Japanese concerns. The Japanese proposal itself can be seen as symptomatic of a desire on the part of Japan to be involved in discussions about security matters which are becoming of increasing importance to it. Secondly, such a dialogue could eventually encompass all concerned states in the region: significantly, this would include Myanmar and the countries of Indochina. Should these states become involved, it would then become more feasible for them to accede to the Treaty of Amity and Co-operation, and thus ASEAN could move closer to one of its founding aspects — the establishment of a regional approach to security based on "peaceful and co-operative" relationships between all states in Southeast Asia.

ASEAN will not find it easy to enter into such a broad security dialogue, however.[54] Thus, in the short-term at least, ASEAN security co-operation will continue in much the same way as before. There will be the declaratory policies of ZOPFAN, and so forth, with a continuing pattern (perhaps an expanding one) of bilateral military co-operation based on joint exercises and shared training facilities. It still seems most unlikely, given contining differences in strategic perspectives and limited externally-oriented military capabilities, that ASEAN will move any closer towards becoming a military alliance. However, it has been suggested that the onset of some form of dialogue on regional security (evidenced by the Manila conference on regional security in June) may be the beginning of an "evolutionary process" leading to ASEAN becoming a "more defined security community".[55] This, of course, remains to be seen.

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Conclusions

ASEAN's past development has often been divided into numerical phases, delineated by Summits. The latest phase of ASEAN's development, also likely to be delineated by a Summit, should not be described numerically but semantically, that is, as "decisive". From the preceding analysis, it will be apparent that ASEAN is now facing a number of challenges and, concomitantly, opportunities, in all spheres of its activity.

The broad range of these challenges, reflecting as they do changed regional and international circumstances, means that the situation which ASEAN now finds itself in is manifestly different from that which it faced before. Whereas in the past ASEAN had been able to step back from the edge when faced with difficult decisions, often deferring them until a later date, it can no longer do so if it is not to become marginalized. Either individual regional actors like Japan, or new acronyms, such as EAEG (East Asia Economic Grouping), will become of greater importance.

ASEAN has usually found it easier to step back from difficult decisions, rather than go forward, because of its desire to avoid exacerbating differences among its members — a problem which is all too obvious in *ASEAN into the 1990s*. There is the continuing tension, throughout the chapters, between the things that hold ASEAN together and make it a useful vehicle for collective action, and the fact that there is such great diversity that action is inevitably different. These differences have always been a handicap because "ASEAN" does not have an identity of its own, independent from that of the component national governments. To take difficult decisions and set clear directions ASEAN needs to take on more of an "institutional" form. This is not to say that such attempts have not been made. The 1983 ASEAN Task Force review suggested structural changes along the lines of the European Community, but these have not yet been adopted, and the Singapore Summit is supposed to approve a report aimed at strengthening ASEAN's structure.

Despite this, the question of whether ASEAN can develop an institutional form will be less important in the short-term than whether the forthcoming Summit represents the apparent concern within the Association for progress to be made, and accordingly establishes a clear sense of direction for it. If, in the light of heightened expectations and real challenges, it fails to do so, then the answer to the original question will be very much a circumspect "where from", with ASEAN increasingly becoming little more than a "club" for its members (to borrow Antolik's metaphor).[56]

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NOTES

* This article is based on reviews of Alison Broinowski, ed., *ASEAN into the 1990s* (London: Macmillan, 1990), 265 pp.; and Michael Antolik, *ASEAN and the Diplomacy of Accommodation* (Armonk: M.E. Sharpe, 1990), 208 pp. It was written in August 1991.

1. See the report on the Kuala Lumpur AMM joint communiqué in the *Sunday Times* (Singapore), 21 July 1991, p. 13.
2. The view of a senior Indonesian foreign ministry official. *Far Eastern Economic Review* (hereafter cited as *FEER*), 20 June 1991, p. 24.
3. Antolik, op. cit., p. 4.
4. Alison Broinowski, ed., *Understanding ASEAN* (London: Macmillan, 1982).
5. Antolik, op. cit., p. 10.
6. It may be somewhat disingenuous to imply, by having sub-headings, that political co-operation can be separated from that in the economic or security spheres. After all, even a decision to co-operate on an industrial project is a "political" one. Having said this, however, the separation will remain for the purpose of structural and analytical convenience.
7. Frank Frost, "Introduction: ASEAN since 1967 — Origins, Evolution, and Recent Developments", in *ASEAN into the 1990s*, p. 5.
8. Preamble to "The ASEAN Declaration 1967 (Bangkok Declaration)" cited by Frost, op. cit., p. 5.
9. Antolik, op. cit., p. 7.
10. Muthiah Alagappa, "Regional Arrangements and International Security in Southeast Asia. Going Beyond ZOPFAN", *Contemporary Southeast Asia* 12, no. 4 (March 1991): 270.
11. "Article 4, Treaty of Amity and Co-operation in Southeast Asia: Bali, 24 February 1976", cited in Michael Leifer, *ASEAN and the Security of Southeast Asia* (London: Routledge, 1989), Documentary Appendices, p. 171.
12. Antolik (using his conception that ASEAN is founded on bilateral relationships) provides an extensive analysis of these differences and the way in which the members have sought to accommodate, or resolve them. See Antolik, op. cit., chapters 2–5.
13. Ibid., p. 107.
14. Ibid., p. 129.
15. See ibid., pp. 136–37.
16. Ibid., p. 154.
17. *Straits Times*, 25 July 1991, p. 1.
18. Carlyle A. Thayer, "ASEAN and Indochina: The Dialogue", in *ASEAN into the 1990s*, p. 139.
19. See Lee Poh Ping, "ASEAN and the Japanese Role in Southeast Asia", in *ASEAN into the 1990s*, p. 173.
20. See Gavin W. Jones, "ASEAN Population"; and Harold Crouch, "The Politics of Islam in the ASEAN Countries", in *ASEAN into the 1990s*.
21. One of the stated purposes of the Association was: "To collaborate more effectively for the greater utilization of their agriculture and industries, the expansion of their trade . . .". "The ASEAN Declaration (1967)", cited in Leifer, op. cit., p. 161.
22. Srikanta Chatterjee, "ASEAN Economic Co-operation in the 1980s and 1990s", in *ASEAN into the 1990s*, p. 58.
23. For example, an agreement on the PTA was reached at the Manila Summit in 1977 and five ASEAN Industrial Projects were allocated after 1980. In addition, a basic agreement on ASEAN Industrial Complementation was approved in June 1981 and one on Industrial Joint Ventures two years later. For details of these, see Chatterjee, op. cit., pp. 65–70.

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24. Ibid., p. 77.
25. First referred to as the "triangle of growth" by Mr Goh Chok Tong, then Deputy Prime Minister of Singapore. See *Straits Times*, 21 December 1989.
26. The trilateral establishment of the Growth Triangle also represents a significant development in the nature of ASEAN decision-making and perhaps portends future such moves, the *FEER* argues, as it can be seen as a "dilution" of ASEAN's "consensus rule". See *FEER*, 20 June 1991, p. 25.
27. Albeit, perhaps, only temporarily, given the earlier point about Japanese intentions in the region.
28. *Business Times* (Singapore), 5 July 1991, p. 11.
29. See *FEER*, 20 June 1991, p. 25.
30. *Straits Times*, 25 July 1991, p. 19.
31. This is because some members currently have higher tariff rates than others. Thus, "trade deflection", whereby goods would enter the FTA through the cheapest port of entry before moving on to a member with higher external tariff levels (so depriving that member of tariff revenue) would occur.
32. *FEER*, 20 June 1991, p. 25.
33. Indeed, ASEAN has continually sought to disavow the notion that it is a military alliance.
34. It needs to be stated here, by way of a definition, that for the ASEAN members "security" is a broadly defined concept. It refers not just to security in the traditional military sense, but can also be seen as synonymous with the term "stability" in the sense of political stability and economic well-being.
35. The idea of "national resilience" is an Indonesian one and is defined as follows: "National Resilience is a dynamic condition of the nation consisting in our capability, integrity, perseverance and stamina in the face of all challenges, threats, obstacles and disturbances, both external and internal, directly or indirectly endangering the integrity, identity and continued existence of the nation and the state ... Those capability, integrity and stamina comprises all the aspects of the life of the nation and the state in the ideological, political, economic, socio-cultural and defence-security fields which must continuously be cultivated and promoted". *Buku Petunjuk Angkatan Bersenjata Republik Indonesia tentang Dwi Fungsi ABRI* [Guidebook for the Armed Forces of the Republic of Indonesia on the Dual Function of ABRI] (Jakarta: Department of Defence and Security); cited in J. Soedjati Djiwandono, "Indonesia: The Military and National Development", in *Soldiers and Stability in Southeast Asia*, edited by J. Soedjati Djiwandono and Yong Mun Cheong (Singapore: Institute of Southeast Asian Studies, 1988), p. 81. The idea of regional, or ASEAN, resilience can be seen as the sum of the national resilience of the component members. It was formally referred to in the "Declaration of ASEAN Concord" (1976).
36. T. Huxley, "ASEAN Security Co-operation — Past, Present and Future", in *ASEAN into the 1990s*, p. 85. Huxley, in fact, adds a fourth aspect which was represented by ASEAN's desire to establish "peaceful and co-operative relationships" with the other states in the Southeast Asian region, thereby enabling Southeast Asian security to be managed by regional states.
37. Leifer, op. cit., p. vii.
38. Huxley identifies the so-called "regionalist" and "globalist" strands in respect of this. Thus, states such as Indonesia and Malaysia had sympathy with Vietnam's concept of regional order (giving it a major role in Laos and Cambodia) and were keen to exclude the military influence of all extraregional powers from Southeast Asia, whilst others such as Singapore and Thailand saw Vietnam as an expansionist power allied

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with the Soviet Union and wanted to forge ties between non-communist Southeast Asia and the anti-Soviet Western alliance.

39. It is beyond the purview of this article to do an in-depth historical analysis of these complex statements, so the following examination of them must necessarily only detail the most salient points.
40. Alagappa, op. cit., pp. 274–75. He goes on to argue in favour of a broad definition of ZOPFAN which would encompass the three documents which relate to it (the 1971 ZOPFAN Declaration, the 1976 Conceptual Framework and Proposals Concerning Steps for the Creation of ZOPFAN [the blueprint], and the 1976 Treaty of Amity and Co-operation).
41. Ibid., p. 274.
42. The existence of such bilateral military co-operation merits further attention as a continuing feature of security co-operation as it pertains to ASEAN. Whilst ASEAN may not have moved any closer to becoming a military alliance since its inception, the level of bilateral (or trilateral) military co-operation has increased significantly over the lifetime of the Association to the extent that each member now co-operates with, usually in respect of training, at least one other member of the Association. This co-operation has also changed in nature. Whereas prior to the 1980s it was primarily oriented towards counter-insurgency operations, since then it has begun to focus more on ones to meet external threats in parallel with the shift in emphasis in many of the members' defence policies and procurement programmes. For details of some aspects of bilateral military co-operation, see Sheldon Simon, "ASEAN Security in the 1990s", in *ASEAN into the 1990s*.
43. Leifer, op. cit., pp. 10–11.
44. Huxley, op. cit., p. 90.
45. Ibid., p. 103.
46. The SEANWFZ concept was drawn up by the Working Group on ZOPFAN in 1985. The Manila Summit in 1987 committed the Association to seek its early establishment.
47. Huxley, op. cit., p. 106.
48. Ibid., p. 94.
49. See Simon, op. cit., p. 128.
50. Ibid., p. 127.
51. The PMC brings together the ASEAN members and their dialogue partners (Australia, New Zealand, the United States, Japan, the EC, Canada, plus a "sectoral" partner — South Korea), for discussion after the AMM, usually on economic matters. For an examination of the evolution and significance of the PMC process, see *Straits Times*, 15 July 1991, p. 24.
52. See Jusuf Wanandi, "Peace and Security in Southeast Asia", ISEAS *Trends*, Supplement in the *Straits Times*, no. 10, June 1991, p. 19.
53. *Straits Times*, 25 July 1991, p. 19.
54. For a brief analysis of some of the factors leading to regional states' reluctance to become involved in institutionalized security dialogues, see Mark G. Rolls, "Western-type confidence-building measures are only good for the West, not Asia", ISEAS *Trends*, Supplement in the *Straits Times*, no. 9, May 1991, p. 2.
55. *FEER*, 20 June 1991, p. 28.
56. Antolik, op. cit., p. ix.

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Book Reviews

***Unity and Diversity: Regional Economic Development in Indonesia Since 1970.* Edited by Hal Hill.** Singapore: Oxford University Press, 1989. 610 pp.

"Unity in Diversity", or *Bhinneka Tunggal Ika* is the national motto of Indonesia, a country which spreads itself over 13,000 islands, with 182 million people of diverse ethnicity and culture. As a motto, it is a contradiction in terms, perhaps expressing the hope that some means might be found for holding these disparate elements together as a single nation. In practice, the amalgam has been held together through rigid centralized control, both in the economy and in the polity. The provinces are kept on a tight leash, with key decisions largely made in Jakarta. This is a country which fears its own complexity.

Hal Hill's book neatly modifies the Indonesian motto in its title. The book is an attempt to address the complexity of the Indonesian economy through a series of articles examining development in strict economic terms in each of the country's provinces. Like the country, the content of this book is sprawling and diverse, and the parts do not quite cohere, despite the editor's centralizing control which fits each contributor's article into a standardized mould. Like the culture, the reader is left with the impression that, despite the book covering a lot of ground, a great deal — possibly the most important part, in accounting for economic development in Indonesia — is left unsaid. Like the society, the articles bring together a wealth of minute details of great fascination, individuality and attraction. And yet, while the mosaic is set before us, it is the pattern in this mosaic which is more difficult to discern.

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With a mass of data, culled from Indonesian sources, on even the poorest and most remote of provinces, the book should prove a useful reference for specialists on Indonesia (though the caveat should be entered: to what extent can one trust the official figures?). The problem is that while the book "hath strange places cramm'd with observation", as with Touchstone's mind, these observations tend to be vented in a manner which does not clearly bring out the basic social and economic forces shaping the Indonesian economy, and the developmental trends which have resulted. The book's usefulness for a wider audience is therefore reduced.

Even the information and topical assessments brought together in the book may not be of such long-term relevance for the specialist as well. The chapter on Riau and Jambi, for instance, makes no mention of the recent boom in export-oriented manufacturing investment on Batam Island, linked to Singapore through the "Growth Triangle" concept.

Data, in fact, soon dates in a country whose economic development has sprung many surprises on the most seasoned of observers. When, for instance, the oil market collapsed in the early 1980s, it seemed highly unlikely that the oil revenue-dependent Indonesian economy, riddled with inward-looking vested interest-based inefficiencies, would be able to recover from the shock. But against expectations, the opportunity was seized by the technocratic managers of the state to move against established interests, in initiating a programme of export-aimed liberal economic reforms that has restored growth while reducing dependence on oil.

And just as the predictions of one moment can be invalidated in the next, equally the assessments made under one set of conditions have often had to be revised. Indonesia, for instance, was long known to have large quantities of coal, but of too poor quality — so it was thought — to be of much interest. But that judgment was recently overturned when what was deemed a major drawback, a problem of hardness, is now thought to be neither so common nor so troublesome as originally judged. Indonesia, indeed, is poised to be a major exporter of very high quality coal. The country obviously retains its capacity to surprise.

Another argument to be made against the dry economic analysis which characterizes this book is that too narrow a theoretical framework risks missing out crucial factors shaping economic policy. Indonesia, it is argued, is poised for a Rostowian take-off. But a crucial determinant of whether or not the country will, in fact, go into a stage of rapid industrialization must surely be the issue of political succession which the country is currently grappling with. The aim is to achieve a peaceful transition of power, avoiding the anarchy and instability which attended the previous occasion when political power changed hands. Underlying these concerns is a deeper argument over popular participation in government,

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and whether or not rigid direction by the state is stifling initiative and hampering economic growth. But, like the country's political leader, President Soeharto (who recently referred to his being elected four times as President as merely "coincidental"), the changes in and prospects for the political system are nowhere addressed in this volume.

Furthermore, it is rather coy, if understandable, to refer briefly to security problems in provinces like East Timor or Irian Jaya, before launching into an extensive economic description. Surely the point to be made, in provinces such as these, is that it is security concerns which weigh heavily on these provinces' economic development. As always, it is left to the reader to ferret out the telling details from the text. Thus, in Irian Jaya, we read that "a considerable share of regional income growth has almost certainly gone to immigrants from elsewhere in Indonesia and, after the mid-1970s, to the national economy through a net outflow of public revenues derived from oil and copper production" (p. 79). Here, it is the clash between native Irianese and Javanese immigrants and the tight centralized control exerted by Jakarta that is, to a large degree, hindering provincial growth.

Indeed, a paradox of this book's determined account of economic development within the regions is that it is the government's centralized control which comes through most clearly. The provinces have little or no autonomy; their fate and their fortunes are sealed by the central administration. In Aceh, another province which continues to have a lively separatist movement (though the reader would be unlikely to guess this from the text), oil and gas exports contribute between US$2 and US$3 billion to the national coffers, "but the benefits to the local community have been much smaller . . . (and) central government expenditure in the province has not been markedly above average" (p. 115). As for Riau, the province exports nearly half of Indonesia's petroleum, yet it comes near the bottom of the regional league table for per capita income growth, and has the second highest incidence of poverty in the island of Sumatra, with little improvement in both life expectancy and infant mortality. The same picture is repeated elsewhere. It would appear that the government sees no advantage in Indonesia's diversity, but rather a threat to national unity; while the fear of anarchy and of regional revolt remain just below the surface. This is unity imposed, in a top-down manner, upon diversity.

Nevertheless, buried in this book are the sort of details that give colour and a human touch to the dry process of growth charted by the professional economists. One of the best things in this book is the lively, literate and penetrating account of the Special Region of Jakarta by Lance Castles. Here we read, for instance, about the extraordinary extent to which circular migration has developed in the capital city. In a village

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105 kilometres from Jakarta, much too far for daily commuting, 87 per cent of the household heads work in Jakarta, nearly all as bread-sellers or taxi-drivers. They survive by finding a *tauke* or accommodation boss (within what is meant to be a "closed city" for migrants) who is prepared to declare them to the authorities to be his "relatives" or "guests" from his village. As for the daily commuters who come into Jakarta by train, Castles notes that the figures must be suspect, because of the number of people who manage to evade paying the fare. It is these touches (all too sparse in the book as a whole) which remind the reader that at the end of the day, economic growth has to do with people; and it is the human dimension, rather than dry figures of gross domestic product (GDP) growth, which ought to be the true focus in analysing development.

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***Truth and Power: Robert S. Hardie and Land Reform Debates in the Philippines, 1950–1987*. By Paul M. Monk.** Monash Paper No. 20. Clayton, Victoria, Australia: Centre for Southeast Asian Studies, Monash University, 1990.

Paul M. Monk's point is that U.S. involvement in Philippine land reform programmes after 1950 is not a mere agenda in an overall U.S. cold war strategy that coincided with the conservatism of the Philippine élite. Rather, U.S. involvement through policy recommendations, financial and political support was a serious attempt to make the land problem part of a programme of action by Filipino and American policy-makers. These Filipinos and Americans never took the recommendations seriously for reasons of their own. For Filipino leaders, the reasons were their conservatism and seemingly unsolvable problem of maladministration. For American policy-makers, they were the vagaries of the balance of power within the U.S. foreign policy bureaucracy and fluctuating interest and selective memories of U.S. representatives in the Philippines.

Monk successfully threads this thin line of distinction, thus contributing to freeing the debate on the fate of Philippine land reform programmes from an "external variable oriented" explanation and from the dogmas of Marxism-Leninism. He starts his discussion by tracing the fate of a policy recommendation in 1951 on Philippine land tenancy entitled *Philippine*

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Land Tenure Reform: Analysis and Recommendations, authored by Robert S. Hardie. An energetic Nebraskan agricultural economist and new dealer, Hardie was sent to the Philippines from Japan where he was deeply involved in the land reform programme of SCAP from July 1946 to July 1949.

Had Hardie's recommendations for land reform in the Philippines been followed, the purchase and sale of land would have been accomplished within two years, title registration in three years, and amortization would have taken thirty years, with possible extension. Thus, had the regular session of the Philippine Congress in 1952 passed an effective land reform law, the programme would have been completed by 1982 at the earliest, or 1985 if there was an extension. President Quirino rejected the recommendations. The U.S. Government did not press him on it. True, counter-insurgency was a consideration of Hardie, but why should satisfied farmers not reject a non-income-earning rebellion? Hardie's recommendations cannot be construed then as part of an overall cold war policy strategy. As Monk pointed out, the famous Edward Lansdale, a CIA officer in the Philippines between 1950 and 1954, never even heard of the Hardie report.

The years between the release of the Hardie report and the Aquino regime have been characterized by temporizing and maladministration by Philippine presidents, and off-and-on American interest on land reform. American ambivalence was most pronounced during the martial law years of the Marcos regime. Monk illustrates shifting U.S. involvement through an impressive array of internal documents of the U.S. mission to the Philippines and exchanges of messages between them and the home offices.

Beyond transcending old cliches about land reform in the Philippines, Monk raises, I think, a very important point in his monograph. The point begins to unfold when Monk quoted Lewis Gleeck, an AID officer in Manila who wrote in 1974 that,

> the atmosphere of the New Society was [*sic*] radical... (*Department of Agrarian Reform*) *thought its day had come and rushed to do the President's bidding without any real plan or system....We were not aware, however, (nor was the President) of the faulty data base for the program.* Although the DAR (and the [Land Authority] before the DAR) had been doing little but gather data for almost ten years, they were *almost totally unreliable* — which is perhaps the most critical indictment that could be drawn up against the defunct agency. *No-one really knew how many tenants there actually were*, how much land was involved, or what the profile of land ownership was! This ignorance had bedevilled the program since (pp. 113–14, emphasis by Monk).

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If the data were totally unreliable, what then was the present state of the Philippine rural economy which land reform was supposed to rectify? No one really knows even now. Monk tackles the problem of unreliable data by extrapolating from existing Philippine government data and studies on tenancy, such as that of J.E. Rocamora and David O'Connor, and Benedict J. Kerkvliet. Rocamora and O'Connor admit that their figures on land tenancy are "guesstimates". Monk's extrapolations inevitably inherit the guesses on the figures. This is not a fault in Monk's work because he had already signalled where a future debate on land reform could possibly start in the near future — namely, what really is workable in the Philippines once we know the situation of the rural economy.

Monk asserts that an argument put forward by American scholars Ross Eshelman and Chester Hunt must be taken seriously. These two scholars have suggested that to abolish tenancy in the Philippines and create the maximum possible number of family-sized farms "will be attempting to make the water flow uphill". They cautioned that "if disastrous effects are to be avoided, it will be necessary to use pragmatic criterion of what is likely to work, rather than ideological test of which policies harmonize best with left-wing slogans" (pp. 136–37).

This advice of Monk can become the starting point of a debate on land reform. Before that, however, there must be reliable data generated through a massive nation-wide survey of the agricultural sector. Monk also makes clear that the Hardie report and the other reports he had discussed cannot be taken as a dogma or continuing indictment of land tenancy in the Philippines. Social reality has changed since the time of Hardie.

Why then use Hardie's report as a starting point for opening a debate on Philippine land reform? Had Monk not informed his readers that this monograph is part of a larger dissertation one can say that he at times belaboured the contents of the Hardie report, only to say at the end that things have changed since then. But it is only a monograph now, and a future book seems promising. However, there are tables in Monk's book that are not sufficiently integrated into the text, such as a partial listing of U.S. embassy personnel, presumably as *dramatis personae*. The names of many of them never really got into the act, as portrayed in the text by Monk.

These things, however, do not detract from the significance of Monk's contribution to a much needed renewed debate on land reform in the Philippines.

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***The Kuomintang Movement in British Malaya 1912–1949*. By C.F. Yong and R.B. McKenna.** Singapore: Singapore University Press, 1990. 289 pp.

So scant is the literature on the Kuomintang (KMT) movement in British Malaya that one looks eagerly to each new publication as an almost certain source of additional information. It is, therefore, quite refreshing for those interested in the history of the Chinese in Malaya to welcome C.F. Yong and R.B. McKenna's study, which covers a largely neglected area in both Malaysian and Singapore history.

The Kuomintang movement in Malaya, from 1912 to 1949, represents a significant chapter in the political activities of the overseas Chinese. The presence of the KMT movement not only in Malaya but also in other parts of Southeast Asia reveals that the pre-war Chinese population comprised a large segment whose outlook was China-centred. The Malayan Kuomintang (KMTM) symbolized the beginning of the first legal political party in British Malaya.

The importance of this movement becomes clear when one notes that the KMTM was the instrument through which China made its presence felt among the China-born Chinese in Malaya. Through this movement, the Chinese Government guided their education, directed their way of life to a certain extent, and made them remain Chinese and never Malayan, as befitted their environment and new home. While the KMTM ensured that the Malayan Chinese retained their identity, its presence posed considerable problems for the British authorities in both London and Malaya. The writers mentioned that "the 37 years of political endeavour by [KMT] members and sympathizers . . . consumed a large part of the energy and resources of both the Malayan Colonial Governments and their London offices in managing it during that time."

The writers examine the history of the KMTM chronologically and have periodized it into six major phases. The compartmentalization of the history of the KMTM into phases makes it easier for the reader to understand the complicated developments that took place during this time.

The first phase provides a historical background to the social and political conditions that existed in Malaya and Singapore prior to the formation of the KMT in China and Malaya. The difference between the China-born and Straits-born Chinese, especially their political orientations, is explained. As for the British, the development of Chinese nationalism from 1890 onwards meant that more effort was required to counter this nationalism generally.

The second phase commences from December 1912 and ends in October 1925 when the ban on the KMT branches in Malaya by the British

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authorities was enforced. The writers devote two chapters to this period. The first looks at the Chinese revolution in China and how it led to the formation of the Malayan KMT party. The formation of the KMTM signified a new beginning for the Malayan Chinese as it heralded an era of legitimized political activism among the Malayan Chinese. The second chapter of this phase pays close attention to how the British authorities managed growing Chinese nationalism. The British were jealously and sensitively safeguarding their interests against real or potentially damaging KMT challenges. The British fear that their rule might be challenged, threatened or even undermined saw them banning the KMT branches in 1925. This banning highlighted the fact that the British expected the immigrant Chinese to be either loyal to the Malayan Government or be apolitical. The writers added that apart from depoliticizing the Chinese, one fundamental British policy was to "protect" the Malay population.

The third phase commences when the KMTM was banned by the British authorities in 1925 and ends in February 1930 when Sir Cecil Clementi was appointed Governor of the Straits Settlements. The writers examine this phase from both the KMTM's and the British authorities' perspectives. Chapter four explains how the KMTM survived the ban and was able to surge ahead. In spite of the constant harassment and repression from the colonial authorities, the KMTM was able to remain a viable and formidable political force among the Chinese in Malaya and Singapore. The next chapter looks at the difference in opinion over the KMTM by the Malayan and London authorities. This conflict over the banning of the KMTM has been clearly described by the writers as "The Divided Mind".

The fourth phase covers the period from the appointment of Sir Cecil Clementi as Governor in February 1930 up to the time when the Lampson-Wang Agreement was reached in April 1931. The attempts by Sir Cecil Clementi to discipline the KMTM are closely examined. Sir Cecil's punitive measures against the KMTM clearly reflected his desire to get the Malayan Chinese to divorce Chinese politics from that in Malaya. He was able to enforce a restriction on the KMTM through the Societies Ordinances and immigration restrictions. However, his efforts to contain the KMTM were not well received by the British Government. This saw the KMTM becoming a casualty of the diplomatic by-play between the Chinese and British governments. An agreement was reached between the two governments that enabled the Chinese in Malaya and Singapore to become individual members of the KMT of China but did not allow them to organize local branches, spread propaganda or raise funds in Malaya for political purposes. However, this compromise, though formalized in 1932, was never ratified, thereby casting a long shadow on the future of the KMTM's activities.

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The fifth phase witnesses a heightening of Chinese nationalism in these territories in the wake of the Japanese invasion of Manchuria. This intensified China-oriented nationalism stimulated individual KMT members to participate in the National Salvation Movement led by a non-partisan community and political leader, Tan Kah Kee. In this phase, the KMT leaders and members contributed substantially to the nationalist cause without being legally prosecuted or persecuted, owing principally to the fact that the British authorities were more concerned with the communist influence in these territories.

While the authors have provided an extensive coverage on the history of the Kuomintang movement in Malaya, they could have paid more attention to the developments that took place between 1937 and 1949. No doubt, the period 1937 to 1941 has been well-documented by a number of other historians, but this would have made the book more complete. Furthermore, the writers have not adequately discussed the period from the time of the Japanese invasion of Malaya in December 1941 to the Japanese surrender in August 1945. What did the KMTM do at this point in time and what was its role in defending Malaya and Singapore against the Japanese? This is one area that requires much research and until something is written extensively about it, the history of the KMTM remains incomplete.

Nevertheless, the writers have been able to accomplish what they set out to do. They have shown the complex nature of the politics that existed in colonial Malaya, and how the changing political circumstances in China influenced the development of Chinese nationalism in Malaya. The dynamics of this movement in British Malaya have been identified through close examination of its leadership, organization and ideology. The changing perception of the British authorities has also been clearly represented.

Notwithstanding the shortcomings, the writers deserve high praise and appreciation for producing an authoritative study of the Kuomintang movement in Malaysia and Singapore during the British colonial period.

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World Bibliographical Series, Vol. 93. By Sylvia C. Engelen Krausse and Gerald H. Krausse. Clio Press, 1988. 249 pp.

Negara Brunei Darussalam is an ancient country, with a history and traditions that stretch beyond the millennia of human memory. Yet a researcher

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attempting to reconstruct its past faces the formidable problem of the lack of written and other sources at least till the nineteenth century. Whilst a number of historians, such as Nicholas Tarling, Colin N. Crisswell, A.V.M. Horton, and anthropologist D.E. Brown, have examined Brunei's past, few have come to grips with its present. One factor that has discouraged scholarly interest in Brunei has been its virtual absorption into the United Kingdom's foreign policy and defence network for almost a century. Malaysian historian Ranjit Singh has touched briefly on the post-1959 Constitution period of Bruneian history, whilst the most recent work by David Leake attempts only a cursory examination of Brunei after independence in 1984. The definitive account of Brunei's post-war years must yet wait the release of official British Public Record Office documents coinciding with, among other things, the formation and activities of the Partai Rakyat Brunei and its subsequent abortive revolt in 1962.

In this light, Sylvia and Gerald Krausse's bibliographical inter-disciplinary country profile, which the authors claim treats the country in greater detail than any other reference work, is a most welcome contribution to the growing interest in one of the last sultanates of its kind in the world. This is a very competent, well organized bibliography, divided into thirty-one main subject headings, four of which are further sub-divided. Each entry gives bibliographical details and is also amply annotated. The authors have also provided a very effective referencing and indexing system. This bibiliography is, so the authors boast, "a first step towards providing useful and readily available references for a study of Brunei, its environment and society". Unfortunately, this reference work is designed to cater primarily for an English-speaking audience and consequently neglects to include sources in Malay.

The book is not without its shortcomings. Anyone studying Bruneian history encounters almost immediately the perplexing and often exasperating problem of chronology. As the historian Robert Nicholl has observed, there is no shortage of dates: "there is a plethora of them, but there is a sad lack of evidence which would chronologically link events in Brunei with those in the outside world" ("Some problems of Brunei chronology", *Journal of Southeast Asian Studies* XX, no. 2 [September 1989]: 175). However, this is not apparent in Sylvia and Gerald Krausse's introduction to the work and the authors appear to be oblivious to this problem.

The authors have, perhaps unwittingly, made a number of glib assertions in their introduction, gleaned no doubt from the material they have at hand. For example, they point out that "the Gurkha regiment has only limited fire power and backup and is, therefore, no real deterrent to external aggression" (p. xxiv). In fact, precisely because the role of the British Gurkhas has never been publicly defined, its presence has enjoyed an

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informal deterrent function. More importantly from an internal viewpoint, the fighting prowess and record of the Gurkhas are well understood and serve as a major constraint on possible political adventurism on the part of any faction within the Royal Brunei Armed Forces (RBAF).

This bibliography is by no means definitive and the authors have readily acknowledged this in their preface. Whilst it does throw up some intriguingly obscure references, it ignores some very important studies. Nicholas Tarling's solid work, *Britain, the Brookes and Brunei* (Kuala Lumpur, 1971), and P. Blundell's *The City of Many Waters* (London, 1923) are, strangely enough, not mentioned nor is reference made to that excellent monograph by the late Dr David Bassett on *British Attitudes to Indigenous States in Southeast Asia in the Nineteenth Century* (Hull: Centre for South-East Asian Studies, University of Hull, 1980). In this monograph, Bassett expressed his misgivings about the reliability of British historical sources and disputed whether there was a decline at all in Brunei's trade or political stability between 1521 (the zenith of Brunei's "Golden Age") and the early nineteenth century. Dr Bassett also questioned Pigafetta's glowing description of Brunei in 1521, a stock-point of comparison for the more derogatory nineteenth century Western accounts of the sultanate. Additionally, in the section on fiction, Anthony Burgess's delightful novel, *Devil of a State*, earns nary a mention. Burgess has also much to say of his riotous experiences in Brunei in his more recently published autobiography, *Little Wilson and Big God* (London, 1987).

Fortunately, the book under review, which had apparently been frowned on by the Brunei authorities because of its inclusion of a number of references to the banned publications of the exiled leaders of the Partai Rakyat Brunei, was recently released for circulation within Brunei. Otherwise, it would have been a pity that the Bruneians themselves would have been deprived of knowing the extent of serious scholarly interest in their own country.

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Grand Strategies in War and Peace. Edited by Paul Kennedy. New Haven: Yale University Press, 1991. 228 pp.

Professor Paul Kennedy has edited a volume that will give more food for thought to those policy-makers and general readers targeted by his earlier

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work *The Rise and Fall of the Great Powers*. Not specifically designed as a reply to those ideological rivals who had challenged his proposition of an America in relative decline, this book is instead a series of case studies analysing the grand strategies (explicit or implicit) used by past Western "great powers" to preserve their national interests in the face of adversity. Thus, regardless of how one feels in the debate over whether America will remain "Number One", these essays collectively provide timely and valuable insights into the creation and maintenance of national power.

The book begins with an introduction by Kennedy in which he develops a definition of "grand strategy" by broadening the concept of "ordinary" strategy in two important senses. First, apart from traditional military considerations, Kennedy adds economics, diplomacy and morale (or national will) as the definitional whole. Then (and perhaps more importantly), he extends the concept of victory beyond the eventual termination of the military struggle to the peace beyond. Thus, if a country successfully marshalls all of its available resources to secure the defeat of an enemy on the battlefield and yet fails to secure its interests in the ensuing peace, then its grand strategy may be said to have failed.

The case studies are divided into two major sections and a concluding final section. The first section deals with Great Britain and its grand strategies in the War of the Spanish Succession, World War I, and World War II. The second section analyses the grand strategies of Rome, Spain, France, Germany, and the Soviet Union, either during the approximate time of their peak influence or (once again) during the two World Wars. Kennedy himself wrote the single essay in the third and final section dealing with American grand strategy "today and tomorrow".

All of the essays are informative and cover their subjects well, but I would have felt better able to respond to the Editor's stated purpose (to suggest a "proper balance of priorities . . . that should be carried out by the United States in the world today") if additional essays had dealt with two areas hardly touched upon. Both have to do with the nature of the challenge.

First of all, most observers tend to agree that the most serious competitors of the United States for influence, both currently and in the future, will be Asian, not European. As such, it seems more critical to me that American policy-makers develop an appreciation for Asian motivations and strategies. Though not a scholarly study and oriented towards business rather than grand strategy *per se*, Chin-ning Chu's *The Chinese Mind Game* is a good introduction to basic East Asian strategies on a practical level. In Kennedy's introduction he quotes Edward Mead Earle's concept of grand strategy. Earle, in turn, was probably paraphrasing Sun Tzu, who

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over two thousand years ago declared that "supreme excellence consists of breaking the enemy's resistance without fighting". Without proper understanding of one's most serious opponents, conceptualizing a series of objectives that will secure one's long-term interest will be a fruitless exercise.

Secondly, only two of the historical studies (Elliot's essay on Spain and Rice's essay on the Soviet Union) deal in a significant way with the second aspect of Kennedy's expanded definition of "grand strategy": its application to peace-time. Most of the major power conflicts of the past have involved at least one monarchy, dictatorship, or other type of autocratic political structure. As more of the world's major powers become democratic (or at least pluralistic), the likelihood of military conflict between them will decrease. On the other hand, with human nature unlikely to change and resources that will continue to be limited, competition to secure or protect one's national interests will certainly remain.

Whether we conceive of it as a battle or not (a new type of "cold war"?), it should be obvious to most observers that this new form of competition has already begun. Certainly, it must appear that way to workers in certain countries being displaced by more efficient foreign competitors. This situation will be interesting to observe as it evolves because it will pit the *laissez-faire* form of capitalism in the West against the "corporatist" government–industry teamwork model of the East (for example, Japan, South Korea, Singapore and Taiwan).

Professor Kennedy is certainly aware of this emerging contest. In the conclusion of a June 1990 essay in the *New York Review* he questioned whether the American political system is capable of implementing an effective peace-time grand strategy and suggested that the United States may have some fundamental reorganizing to do in this area. I tend to share his concern, for neither do I have any confidence in the successful outcome of a *laissez-faire* conventional war.

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SOUTHEAST ASIAN AFFAIRS 1991

An annual review of significant developments in the region, with country by country analyses

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Contemporary Southeast Asia, Volume 13, Number 4, March 1992

Leaders, Élites and the Imperatives of Security*

KHONG CHO OON

Security does not simply mean external security or military security. Political stability is a fundamental aspect of national security. Political stability depends, above all, on the leadership's relationship with the societal élite. In the bureaucratic-authoritarian model, the leadership's tendency to maximize its autonomy of action has to contend with participatory pressures from the social élite. How security is defined is influenced by agreements reached between the leadership and élite. But this is a dynamic process and questions of redistribution of power and definitions of security have to be mediated on a continuing basis. How well the leadership manages to maximize its autonomy alongside participatory pressures from the changing societal élite determines the nature and extent of political stability and the attainment of security. The leadership's critical role lies in its ability to balance its own concerns with the interests of the societal élite.

The question which sparks off the argument of this essay may be put as follows: what qualities do we find in those élites with whom leaders collude or collaborate? And then: are these qualities crucial in determining the security and stability of the state in the interdependent global political economy of today? Stated in this manner, these questions suggest two alternative modes of action which the leadership might pursue, each course having a bearing on the qualities we might expect to find in associated élites. Either the leadership seizes the initiative, thus enforcing co-operation by other groups, in its drive to stake out its claim to sovereignty, and setting out its own vision of security and stability, or else, the leadership is

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fenced in by other social groups so that the actions and conceptions of state are determined by an interplay of bargains between the leadership and critical societal élites.[1]

In the second instance, as much as in the first, co-operation does not imply mutuality of interests by all the parties concerned. In a manner not dissimilar to the workings of Adam Smith's invisible hand, shared interests render co-operation unnecessary; each group acting in its own self-interest inevitably contributes to the interests of the others as well. In looking at the relationships forged between leaders and élites, we are therefore looking at a process of deliberate adjustment and change, highly political in content, and shaped by the bargains struck between both sides. These bargains confer a mix of political and economic benefits upon the interested parties; they open up opportunities for managing the process of change in order to attain those interests which the groups involved severally wish to achieve.

In seeking to identify key social groups through mapping out the network of bargains or enforced agreements emanating from the leadership, we should first consider the caveat that while the pattern of benefits may indicate the distribution of power, it does not necessarily identify that social configuration collectively responsible for initiating and shaping policy. Stephan Haggard argues that a coalitional approach to policy explication could end up identifying groups only tenuously connected to the policy chosen; or they may even be brought together as a consequence, rather than as the cause, of the policy choice.[2] The possibility must be conceded that certain groups could try to exploit, for their own purposes, an existing network of bargains and agreements which they played no part in creating, and for which they bear no responsibility for sustaining. Nevertheless, if successful, they are hardly likely to be allowed by the leadership to free-ride, remaining outside the structure of relations responsible for creating the policy. However, they will be brought into the dominant coalition, even if individually, they will have only a limited influence on the decisions that are made.

To sum up, we are looking at a process in which certain societal élites come, or are brought into conformity with the security imperatives of the political leadership. Their convergence is the result of deliberate choice, either by themselves or by the leadership; which leads to a rephrasing of our original question: what qualities are innate in the relations between leaders and élites, which draw both sides into negotiating, bargaining with or attempting to coerce each other? In addressing this question, we need to begin by disentangling a number of terms from each other.

To begin with, we need to distinguish the concept of the "state" from that of the political "regime". Rather than dismiss the concept of the

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state for constituting at best a poor formal definition, as David Easton asserts,[3] we identify the state, more narrowly, with the political leadership and the institutional bureaucracy coming directly under it. The state refers to the government and its officials; it does not apply to the political aspects of the whole community. In this sense, the state exists separate from society, which it attempts to control. It may lay claim to the ultimate loyalty of that society and to sovereignty over the territory which society inhabits. But there is no assumption of the final validity of that claim, which may be challenged both by groups from within society and by external actors and forces. Society, for its part, is a non-state entity, from which groups may be chosen, or may consciously choose, to associate themselves with the institutional structure of the state.

On its side, the leadership seeks to provide security, asserting its authority over society through its institutional structure, transacting a network of bargains and agreements (in the manner earlier suggested) with key groups (or élites) in society. In this process, the leadership regularizes conduct through establishing behavioural norms and rules agreed to by the other participants. A "regime" arises, based on the autonomously calculated self-interest of all concerned parties,[4] who share a mutual recognition that the interactions between them are not unconstrained nor fully based on independent decision-making. Interdependence lies at the root of their compact. Even the state, which may have pretensions towards sovereignty, comes to realize that in a situation where the choices made by one affect everyone else, collaboration — or at least some co-ordination of action — by all the parties concerned would be desirable.

This concept of a regime allows leadership–élite relationships to be considered within a context where the territorial scope of the authority exercised by the state has become increasingly difficult to identify, particularly in the light of the transnationalization of the production structure, a concern which may be extended to scruples over other areas of the state's operations. A view of the state as the institutional structure binding society together fails to encompass social relationships or authorities which may lie within the scope of the state's territorial authority but outside its capacity for control, or else directly affecting the state's operations from outside its territory. A concern over the context in which power is exercised, therefore, leads to a preference for the broader term "regime", to describe the arena in which leaders and élites interact. Indeed, the form of the state may well remain the same from one country to another, while the nature of the regime changes, depending on the characteristics of the agreement reached between the state leadership and the societal élites.

Secondly, we need to differentiate regimes according to their "exclusionary" or "inclusionary" nature.[5] Each type signifies a different

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relationship between the leaders and élites, with corresponding implications for the way in which power is exercised. Leaders in inclusionary regimes deliberately seek to be populist, forming a coalition with a range of élite groups in an effort to mobilize the popular sector. The intention is what counts here, whether of the leadership or of any other group, to aim for inclusion. The record of the resulting coalition, which may itself be unstable, even riven by conflict, is not the point. Nor do inclusionary regimes have to be democratic, in the sense of mobilizing popular participation in decision-making. The political system could well remain oligarchic, with decision-making effectively confined to the political leadership. The critical distinction is the conscious effort to link social élites with the political leadership, and through this conjunction to incorporate social groups into the system of legitimation that justifies the political structure of the state.

Exclusionary regimes, in contrast, are characterized by the conscious decision of the state to insulate itself from society. Aims are defined between the leadership and the societal élites, with élites attaching themselves to the institutional structure of the state. But in this attachment, these élites lose their own independent identity; and furthermore, there is no attempt to create a base of legitimacy which would justify the state in the eyes of society. The state and its dependent élites may not see the necessity of seeking legitimacy from society; indeed, in their view, the proof of legitimacy lies with society as the state concentrates its attentions on its drive to achieve security.

Those social groups which at least prove themselves amenable to the security objectives of the state are then legitimized in the eyes of the political leadership. This brings us to our third pair of terms which need to be set off from each other. To what extent does the concept of "security", as defined by the leadership, imply a search on its part for "legitimacy"?

Security is here conceived in its broad meaning, not merely (nor even particularly) concerned with military defence, but generally connoting a sense of political stability. To begin with, it is a defensive move. Leaders reach an arrangement with élites in order to protect themselves from the risks which they see as threatening them. The threats arise as a challenge to the authority held by the leadership and its associated élites. And these threats may be countered by the ruling coalition asserting its power to limit, or even to define, the courses of action available for others to pursue. Security is specified by an agreement between the separate interests of the leadership and the élites, who then act to ensure their survival by removing these threats to their continued well-being. Establishing security, therefore, implies an ability to control, for better or for worse, the actions of others. In establishing security, the leaders and élites exercise power

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across a range of different areas. In a modern political economy, they decide the nature of the production process and the availability of information, among other things. If they can obtain broad agreement for their actions in shaping society in the manner they choose, then so much the better, for security will be further enhanced by heading off challenges to their authority.

So as the leadership tries to establish the security of the state, and hence to wield power over the society associated with that state, it attempts to build legitimacy around the political system and the institutions of state. Potential rival centres of authority are then more likely to accept their place within the existing scheme of things. The position of the leadership is legitimated by its recognized sovereignty. Security, therefore, need not have any independent validity of its own (even if expressed in this manner by the leadership); it merely represents a balance or a compromise between the separately conceived threat perceptions of the leadership and its associated élites.

Taking into account the three distinctions which have been made, we may then identify the processes through which leaders and élites find themselves somehow conjoined together. An important point of reference in describing leadership–élite relations is Guillermo O'Donnell's formulation of the bureaucratic–authoritarian model, which arose as a reaction to the modernization paradigm.

O'Donnell identifies a historic pattern in which the drive for modernization by the state results in increasing social differentiation, which gives rise to political pluralization and a more complex pattern of political interaction.[6] New social groups arise, both indigenously and as a consequence of interaction with the international environment which modernization entails; and these groups often conflict with existing relationships between groups already established. As political institutions have never been firmly established, these conflicts are not played out within established rules of the game, but focus instead on a series of demands made on the executive leadership. In this "populist" period, the leadership is concerned to placate political challenges, rather than to solve political problems, by incorporating the more threatening societal élites.

The stage is eventually reached, however, when prominent élites are no longer satisfied with placation, and seek to restructure the political system in line with their own particular preferences. The tendency is then for the leadership to react by placing severe constraints on the political activities of social groups and societal élites outside the ruling coalition. In continuing its drive towards modernization, leadership sets up a "bureaucratic-authoritarian" structure, establishing a close alliance with technocrats, both civilian and military, who have little sympathy for

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political conflict, and who view conflict and disputation as obstacles to further economic growth. Rather than rising expectations, these technocrats have "transplanted" expectations which require the reshaping of society in their own rational-scientific image. The political process is, thus, characterized as an exercise in rational management. The confrontation, bargaining and competition associated with the earlier populist phase are frowned upon as forms of political behaviour which are irrelevant distractions and potentially destabilizing for the process of economic growth.[7]

The nature of bureaucratic-authoritarianism varies according to the situation. Local business élites and other elements of the bourgeoisie may initially have supported the setting up of the bureaucratic-authoritarian state, in their desire for stability. But this support later declines, as these groups see themselves excluded from the preoccupation of the bureaucratic élite with state and foreign investment (though they may later stage a comeback to the ruling coalition).[8] As for the military and civilian élites which make up the bureaucratic-authoritarian state, while it is not inevitable that they will be linked to the process of economic growth, O'Donnell suggests that, in the Weberian sense, there is a marked "elective affinity" between these groups and what he terms as situations of high modernization.[9] These groups do not maintain a separate identity, but come increasingly to identify with and to merge into the administrative framework of the state.

In the bureaucratic-authoritarian model, the political leadership is forced to react to the increasingly assertive demands of restive élites. At the other extreme, leadership — from the outset — deliberately seeks to create and to consolidate a structure of command, extending the power of the state administration over society, in order to dominate and to control domestic groups, while fending off the influence of external forces. This view of the motives of leadership provides the starting point for Thomas Callaghy's conceptualization of the process of state formation.[10] "Development" may at times engage the attention of the leadership, but in the struggle for power and sovereignty between the state, domestic élites and external forces, it is not necessarily its primary focus of concern. Development and the general well-being of society are only perceived as useful by leadership if, through this means, it is able to extend its control over society and to assert its power over rival groups.

Although engaged in a struggle for power over society, leadership has perforce to come to agreement with key social élites, both internal and external. It cannot do battle on all fronts simultaneously. Thus, at various times, different social élites come into, or move out of, the ruling coalition, for reasons which suit themselves as much as the leadership. But these movements are dictated by short-term considerations; the composition of the ruling coalition changes in the course of the political struggle, as the

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balance of power shifts between the contending parties. From the point of view of the leadership, alliances with élites must be kept to the minimum that is tactically necessary at any one time. Commitments should be restricted, as the ultimate aim is to achieve autonomy of action and control over all elements of society. The state thus deliberately reinforces its separation from society.

And yet, in many instances, the leadership tries to get its way by using what Callaghy terms a "cover-over" strategy.[11] In its drive to dominate, it does not directly confront its opposition. The leadership may at times seek to coerce social élites, but this is only one element in a mixture of tactics that also includes attempts at co-operation, negotiation and the recreation of some form of traditional legitimation. The leadership maintains an organic-statist perspective, in which society, while shaped by an autonomous state, is still viewed as an organic whole, not to be split up into factional groups. Even if predisposed to be exclusionary, the leadership ends up pursuing an inclusionary strategy. It is prepared to commit itself to the support of social groups (and even external groups too), and to tolerate (at least for a while) the existence of alternative authority structures in society, with their own independent autonomy and power. The final goal of the leadership remains domination, but its chosen means are indirect and gradualist, rather than radical. Instead of seeking to destroy these alternative centres of power, the leadership aims to cover them over with its own congruent administrative structure, and to slowly sap their power through oblique control.

Callaghy states that a combative leadership decides, for tactical reasons, to achieve its exclusionary ends by inclusionary means. O'Donnell argues that an exclusionary state may be the consequence of an earlier inclusionary regime. But what if the leadership is so weakened by earlier ties with societal élites that it finds itself unable to move against them, even if those élites command no broad-based popular support from within society? Stephan Haggard discusses this situation in his model of a "weak" authoritarian regime struggling to adjust to change.[12] Authoritarianism, in his view, does not necessarily imply an enhanced capacity to institute reform.

Haggard focuses on the limited "capacity" of the state, which prevents reform from pursuing coherent policies, rather than on its constituent elements or the nature of its rule. While the technocratic élites harnessed to bureaucratic-authoritarian regimes are able to implement decisive policies free from political constraints, their counterparts in weak authoritarian regimes find their power circumscribed and their position marginalized, along with the power and position of the state structure to which they are attached. Technocrats in weak regimes may, possibly, also possess

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autonomy from social pressure, but they cannot usefully translate this independence into purposive action, given the weakness of the political leadership on which they depend. Alternatively, the possibility exists that the administration could break up into smaller "subsystems", which may be captured politically, or constrained by particular societal clients.[13] In either case, the weak institutions of state cannot implement reform; fundamental change actually requires the circumvention rather than the participation of the central government.

The leadership is unable to insulate state from society, as it is itself enmeshed in a network of patronage, forced to tie itself to the support of narrowly-based societal élites in order to reinforce its low level of legitimacy. The leadership provides these select élites with privileges, preferences and protection; and in return, it stakes out a personal interest in their economic enterprise, blurring, if not indeed merging, the distinction between its private interests and its public concerns. Both the leadership and client élites establish a mutual dependence on each other; and those social groups excluded from this symbiotic network become disaffected, possibly even to the point of open political opposition. If in this event, the leadership responds through political repression — if also, clientelism implies a proliferation of the state's administrative structure — they are signs not of the strength of leadership, but of weak central control.

From the models provided by O'Donnell, Callaghy and Haggard, we may identify the general characteristics of certain important élite groups (in particular, domestic business interests, civilian technocrats, and the military), and assess their usefulness to the concerns of leadership. A common picture emerges in which the leadership has to contend with a triadic struggle between itself and the administrative structure of state on the one hand, and with competing societal élites on the other, each with its own aims and interests.[14] The leadership, if it is able, aims to dominate society and to control its administration. The state administration, for its part, need not necessarily have interests and objectives compatible with those of the political leadership, even if its subordination to the leadership is generally assumed. Thus, a struggle may develop within the group associated with the leadership, that is, between the political élite and the administration set up to implement its rule. As for the societal élites, they are drawn into association with the institutions of state and collaboration with the leadership, or else face exclusion. Social groups may address the leadership while not sharing its aims; or else, they may seek to isolate themselves from penetration by the state.[15]

A common perspective may be distinguished in which, ultimately, the leaders' relations with the élites are based on considerations of power and of control to limit autonomy. Rather than assume it has the autonomy

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to act, the leadership has to compete for power, engaging in a struggle with the societal élites in order to reach the security of an eventual negotiated order. In this interaction, which social groups come to provide an input or are drawn into the institutional structure of administration? Which remain on the outside?

A favoured policy must be for the leadership to try to reduce its dependence, by seeking the collaboration of as few societal élites as possible. Full representation of societal interests within the state structure is, therefore, not an important consideration. What concerns the leadership is to limit its present commitments in order to maximize its future autonomy.

If the leadership succeeds in establishing control over the administrative structure of the state, it will try to use this control to manage its relationship with the societal élites, as far as possible to its own advantage. If necessary, the leadership will compel or coerce co-operation from key élites; but, of course, if possible, it will attempt to elicit their voluntary compliance, either on the basis of a shared consensus over values and objectives, or else, in Gramscian fashion, by instigating a convergence of expectations. Acceptance of the leadership's legitimating authority would be necessary if it is to be able to arrange beliefs and preferences of action in this manner. Technocratic élites may play a vital role in conferring legitimacy on the leadership, if these technocrats are generally accepted, despite their non-representative nature, as suitable instruments for implementing the latter's growth policies. Technocratic co-operation allows the leadership to depoliticize contentious issues by arguing that they may be treated in a neutral and objective manner. Government may then be characterized as an exercise in rational management.

While actively seeking the blessing of a technocratic presence, the leadership may find it difficult, on the other hand, to avoid collaboration with, or at least appeasement of, an organization as cohesive and purposive as the military. The military, in its emphasis on nationalism, is predisposed to be hostile towards external interests, and in its organic-statist view of society, it is inclined to disfavour any social group with coherent separate interests of its own. Yet the military, once in a position of power, usually ends up refuting both tendencies, as it lacks both the technical capability for administering a modern society and the legitimacy which might justify its rule — omissions which may be rectified through an alliance with civilian technocrats and foreign capital.[16]

External élites may indeed assume critical importance in some instances, though not all analyses of leader–élite relations emphasize their importance. Nevertheless, the leadership has to take into account external, as much as internal, considerations in the process of state formation.[17]

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Relationships between leaders and élites run not just between them (that is, between the ruling state structure and the élites of leading social groups), but also from these domestic groups, and the state structure as well, to other groups which are external to the territorial domain of the state.

What we have so far discussed are archetypes, to which (it may justifiably be argued) the individual situations of Southeast Asian countries do not conform precisely. Nevertheless, the exercise in delineating these ideal types aids clarification in characterizing actual leader–élite relations. Haggard's model was itself derived from the process of state formation in the Philippines, where the leadership, along with its technocratic allies, was captured by dominant élites from an oligarchic traditional social class. In lndonesia, a military-dominated state structure has been unable to expand the interests of state capital without close association with either domestic Chinese business élites or foreign capitalist élites. In contrast, Singapore exemplifies the pre-eminence of the technocratic élite, which has extended its reach through the bureaucracy to take over the élites of the founding pclitical party and the military. In Thailand, the weakness of the state structure results from the uneasy coexistence of the military and the technocratic bureaucracy. And in Malaysia, the symbiosis between the leadership and the bureaucracy is increasingly leavened by the growth of cliental obligations on the part of the former.

Whatever its abilities, whatever its limitations, the primary problem for the leadership in the countries of Southeast Asia — as much as has been outlined in the theoretical analyses of the state made earlier — is the problem of establishing security while initiating and managing change. The leadership's room for manoeuvre is greatly affected by its ability to forge and to sustain bases of support from the élites within society. Its success is dependent on the institutional structure through which it operates, the commonality (or at any rate, reconcilability) of interests between the élites and itself, and the impact of international pressures, among other considerations. The agreements which the leadership reaches with the élites determine not just the extent to which it manages to achieve security, but, more fundamentally, just how, and in whose interests, that security is defined.

In managing change, the agreements struck between the leaders and the élites may hold for some time, but will eventually prove transitory. The consequences of agreements that are reached inevitably alter the circumstances which originally gave rise to them, necessitating new calculations of interests and opening up possibilities for a redistribution of power. In different configurations of power, particular élites may be dominant over, or else dependent upon, the leadership group. Leaders may believe that over the long-term, their interests lie in subordinating

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élites to the leaders' perception of what constitutes security; hence the leadership will try to maximize its autonomy in a number of ways.

If élite groups are each narrowly concerned only with short-term benefits, a proliferation of "distributional coalitions"[18] could hem in the state's autonomy of action, and introduce greater uncertainty and instability into the social environment within which it operates. It would be tempting for the leadership to conclude that, under such circumstances, these groups should be neutralized or else, by whatever means, isolated from any ability to impose pressure or to make demands which could dilute, if not destroy, the effectiveness of the leadership's carefully crafted developmental policies. However, a coherent autonomous policy need not necessarily achieve security (whether broadly or narrowly defined), and could limit the leadership's ability to respond to challenges which may arise in a swiftly changing environment, if the leadership becomes too insulated from the concerns of that environment, or if a predatory dominance is overly preoccupied with destroying competing interests which are perceived to have the potential of turning into alternative centres of power.

The task for the leadership is to find that balance between its own considerations and the interests of the societal élites, with broad support from society, that allows a set of mutually beneficial agreements to be hammered out. In this way, a secure and stable regime is constructed, within which the imperatives of security may be attained.

NOTES

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1. While the article draws on ideas which have emerged from the debate on the nature of the state and the process of state formation, it is not primarily concerned with identifying the relative autonomy of the state from social groups and from external forces in the manner of Peter Katzenstein, Eric Nordlinger, or Alfred Stepan.
2. Stephan Haggard, *Pathways from the Periphery: The Politics of Growth in the Newly Industrializing Countries* (Ithaca, N.Y.: Cornell University Press, 1990), p. 34.
3. David Easton, *The Political System: An Enquiry into the State of Political Science* (New York: Alfred A. Knopf, 1971), p. 109.

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4. The term "regime" tends to be used disparately and with little precision. The conceptualization of a "regime" based on independent self-interests coming together to deal with common interests and common aversions is advanced by Arthur A. Stein, "Coordination and Collaboration: Regimes in an Anarchic World", in *International Regimes*, edited by Stephen D. Krasner (Ithaca, N.Y.: Cornell University Press, 1983), pp. 115–40. Stein's formulation, based on relations between states, is adapted here to deal with interest groups.
5. O'Donnell distinguishes between "exclusion" of a popular sector which has previously been politically activated, and "incorporation" of the popular sector as a deliberate government policy. See Guillermo A. O'Donnell, *Modernization and Bureaucratic-Authoritarianism: Studies in South American Politics* (Berkeley: Institute of International Studies, University of California, 1973), pp. 55, 89–91, 113–14. Both forms of regime imply leadership co-operating with certain élites, though the nature of those élites and the type of co-operation which takes place will be different from one form of regime to another. Broadly speaking, O'Donnell identifies "bureaucratic-authoritarian" regimes as "exclusionary" and "political democracies" or "populist" regimes as "incorporating" (p. 114). The distinction made here, however, emphasizes that "inclusionary" regimes may involve consciously incorporating parts of the popular sector into the security framework of the state, but the political system itself could still remain authoritarian.
6. O'Donnell, op. cit., pp. 74–75. The modernization process he describes is based on Samuel Huntington's description of the rise of "mass praetorianism". See Samuel P. Huntington, *Political Order in Changing Societies* (New Haven, Conn.: Yale University Press, 1968), pp. 80 ff.
7. As O'Donnell describes the technocratic élite: "Their training stresses a 'technical' problem-solving approach. Emotional issues are nonsense; the ambiguities of bargaining and politics are hindrances to 'rational' solutions; and conflict is by definition 'dysfunctional'. Their underlying 'maps' of social reality are similar. That which is 'efficient' is good, and efficient outcomes are those that can be straightforwardly measured; the rest is noise that a 'rational' decision-maker should strive to eliminate from his decision premises". O'Donnell, op. cit., pp. 84–85.
8. See David Collier, "Overview of the Bureaucratic-Authoritarian Model", in *The New Authoritarianism in Latin America*, edited by David Collier (Princeton, N.J.: Princeton University Press, 1979), pp. 28–30.
9. Presumably according to the eighteenth century chemical theory in which elements with antithetical qualities are predisposed to come together, each destroying itself in the process. Hence, in Goethe's novel of that title, the elective affinity between Eduard and Ottilie is consummated only in death.
10. Thomas M. Callaghy, *The State–Society Struggle: Zaire in Comparative Perspective* (New York: Columbia University Press, 1984), pp. 82–87.
11. Ibid., p. 96.
12. Stephan Haggard, "The Political Economy of the Philippine Debt Crisis", in *Economic Crisis and Policy Choice: The Politics of Adjustment in the Third*

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World, edited by Joan M. Nelson (Princeton, N.J.: Princeton University Press, 1990), pp. 215–55.

13. This possibility is discussed in Stephan Haggard, "The Politics of Adjustment: Lessons from the IMF's Extended Fund Facility", *International Organization* 39, no. 3 (Summer 1985): 532.
14. Eisenstadt argues that the characteristics of each of the parties tend to develop out of the interaction between them. See Shmuel N. Eisenstadt, *The Political Systems of Empires* (New York: Free Press, 1963), p. 18.
15. In Hirschman's terms, they have two possible modes of response, "exit" and "voice". See Albert O. Hirschman, *Exit, Voice, and Loyalty: Responses to Decline in Firms, Organizations, and States* (Cambridge, Mass.: Harvard University Press, 1970), pp. 16, 30, 37, 78, 83.
16. O'Donnell characterizes the military as a technocratic élite (see O'Donnell, op. cit., pp. 79–83); but most armed forces, even in developed countries, appear to be technically inadequate when required to extend their competence into the area of civilian administration, hence their need to co-opt civilian expertise.
17. Various writers do, of course, emphasize the importance of the particular world historical situation in which a state is formed and in which it develops. See Immanuel Wallerstein, *The Capitalist World Economy* (Cambridge: Cambridge University Press, 1979); and Otto Hintze, "The State in Historical Perspective", in *State and Society*, edited by Reinhard Bendix (Boston: Little, Brown, 1968), pp. 154–69.
18. As Mancur Olson defines the term. See Mancur Olson, *The Rise and Decline of Nations: Economic Growth, Inflation, and Social Rigidities* (New Haven, Conn.: Yale University Press, 1982).

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Sino–Thai Relations: From Strategic Co-operation to Economic Diplomacy

YONG DENG*

This article seeks to examine the shift of priorities in the agenda of Sino–Thai relations from a convergence of strategic interests in opposing Vietnamese occupation of Cambodia to economic diplomacy. It discusses new trends and dynamics in the bilateral relations within the post-Cambodian context since September 1989. It further provides some tentative discussions about the opportunities and difficulties in current and future Sino–Thai relations. In the light of the recent dramatic changes in Indochina, this study may be useful in understanding China's future relations with Thailand in particular, and Sino–ASEAN relations in general.

Since that historical day in 1975 when Thai senior statesman Kukrit Pramoj signed a diplomatic normalization pact with the late Chinese premier Zhou Enlai, Sino–Thai relations have come a long way. Until recently, Sino–Thai relations were largely shaped by the Cambodian issue and the Vietnamese expansionism in Indochina. In September 1989, however, Vietnam withdrew most of its troops from Cambodia, thereby scaling down tension between Vietnam, Thailand, and China. Although final agreement on the Cambodian issue was not reached until October 1991, the perceived threat from Vietnam to Thailand and China had considerably waned in the past two years or so. While continuing joint pressure for a total withdrawal of Vietnamese troops and for the establishment of a quadripartite interim coalition government headed by Samdech Norodom Sihanouk still persisted in the agenda of Sino–Thai relations, these relations witnessed major changes, and new trends are already on the horizon.

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Since the Vietnamese invasion of Cambodia in late 1978, Sino–Thai relations have concentrated on the outstanding Cambodian issue. With the final resolution of the Cambodian problem in progress, the strategic rationale of close bilateral relations was reduced considerably. Priorities in bilateral relations are shifting as peace and development become the dominant theme in Southeast Asia. Economic diplomacy has begun to replace strategic co-operation, with both countries paying greater attention to economic problems and bilateral co-operation. Trade and economic ties are now the principal concern in Sino–Thai relations.

The Cambodian Issue and Sino–Thai Strategic Co-operation

After the founding of the People's Republic of China (PRC) in 1949, Thailand had been antagonistic towards Beijing, and had accorded its diplomatic recognition to the Kuomintang regime in Taiwan for a quarter of a century. Reflecting the U.S. view, Bangkok had been convinced that the principal security threat was posed by a monolithic international communism whose vehicle for expansion in Asia was the PRC, serving as patron of the Vietnamese communists. Thailand's historical enemy, Vietnam, was thus viewed within a wider context of threat. It was within this context that Thailand dispatched troops to fight under the United Nations banner in Korea in 1950. In September 1967, it sent combat troops to fight in South Vietnam as part of President Johnson's "many flags" programme of third-country support for the U.S. war effort. In turn, Beijing perceived Thailand as part of the U.S. containment policy and a "bridgehead of US aggression against Indochina".[1] In an attempt to influence Thailand to be less defiant to China's interest, Beijing extended moral and material support to the guerrilla warfare policy of the Communist Party of Thailand (CPT) against the Bangkok Government.

Although the prime object of Thai military deployment in the second Indochina war was to ensure continuing protection from the United States, an underlying rationale was the perception of a Vietnamese threat to the trans-Mekong region of Indochina traditionally viewed as Thailand's security zone.[2] In other words, Thailand's military involvement with the United States in the second Indochina war reflected not only an ideological commitment against communism, but also a determination, arising from historical experience, to deny Vietnamese dominance throughout the valley of the Mekong River.

Nonetheless, Thailand regarded the first two Indochina wars within the strategic context established by the Korean conflict and did not begin to draw any significant practical distinction between Chinese and Vietnamese communism until the mid-1970s, when tension between Beijing

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and Hanoi became manifest in the context of Sino–Soviet antagonism and Sino-U.S. *rapprochement*. Shortly after the victories of the Cambodian and Vietnamese communists in April 1975, the ASEAN countries, acting with U.S. encouragement, began to make adjustments in the face of the changing balance of power in Southeast Asia. China was perceived as a possible alternative source of external countervailing power against the more immediate external threat posed by a seemingly expansionist united communist Vietnam. Following the footsteps of Malaysia and the Philippines, Thailand established diplomatic relations with China in July 1975.

On 25 December 1978, Vietnamese forces swept into Cambodia and evicted the Khmer Rouge regime of Pol Pot from Phnom Penh. Vietnam's evident determination to remove a politically intolerable government with the obdurate expression of independence in Cambodia and to replace it with one of its own choosing foreshadowed the elimination of a partial buffer between Thailand and its historical enemy.

On its side, China, though not a global power, formulated its policy towards Asia in the context of its strategic relations with the superpowers. As Steven I. Levine argued in the early 1980s, "to a significant degree, China has been a regional power without a regional policy".[3] China's Vietnam policy was not a response to Hanoi's particular regional role in Asia but rather a response to China's larger concern for Sino–Soviet relations.[4] China's refusal to be reconciled to the prospect of Vietnamese hegemony in Indochina had been a function of traditional interests and of a bitter adversarial relationship with the Soviet Union, reinforced by events in Afghanistan. Within this context, China adapted its policy towards the ASEAN states, particularly Thailand, to meet the needs of its Vietnam policy in order to offset the supreme Soviet menace to its security.

Traditionally, the dominant theme in Beijing's policy towards Southeast Asia had been the denial of advantage to its principal international adversaries. The balance of power was the prevailing consideration. It was because of this that the apparently close political association between Beijing and Hanoi did not survive the end of the second Indochina war. Its marked deterioration and conjunction with Sino–Soviet relations became the central factor in China's policy towards the countries of Southeast Asia. China sought vigorously to forge a united front with the ASEAN countries in the wake of Vietnam's invasion of Cambodia, aimed at imposing on Hanoi and Phnom Penh a diplomatic and economic isolation.

There were substantial reservations among the ASEAN states concerning the regional influence of both the Soviet Union and China. They were, therefore, less than enthusiastic about the prospect of an unduly close association between Bangkok and Beijing. However, Thailand as a "front-line state" facing a military threat emanating from neighbouring

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Vietnam and Cambodia, accepted Beijing's pledge of assistance in the event of external aggression. As long as China could assure Bangkok of the utility of seeking to deny Vietnamese dominance in Cambodia, the other ASEAN states would be obliged to sustain a common diplomatic position with Thailand or risk threatening the cohesion of the Association. China made explicit its determined opposition to Vietnamese dominance throughout Indochina, expressed dramatically through military action in February 1979. Thailand's fellow members of ASEAN began to demonstrate unprecedented political solidarity and refused adamantly both to recognize the Heng Samrin government in Phnom Penh and to withdraw recognition from the ousted Democratic Kampuchea then headed by Pol Pot.

The Beijing-supported Khmer Rouge and other anti-Phnom Penh resistance forces made use of Thai territory along the common border as an active sanctuary and as a source of material resupply. Beijing also utilized Thai territory, including the waters, to sustain the forces opposed to the Heng Samrin regime with military assistance.

To mend fences with Bangkok, Beijing also undertook a massive realignment of its relationship both with Bangkok and with the Thai communist insurgents. The border between Cambodia and Thailand could serve as a locale for immobilizing Vietnamese troops, thereby relieving the pressure on China along the Sino-Vietnamese border. Beijing's altered assessment of its security interests in Southeast Asia caused its support of the Communist Party of Thailand's insurrectionary efforts to fall precipitously. The activities of the Thai communists, which had registered a peak in 1977–78 before the Sino-Vietnamese dispute became critical, collapsed as an immediate consequence of the Vietnamese invasion of Cambodia. As a result, material support to the CPT diminished dramatically after 1979. Instead, Beijing instructed them to collaborate with Bangkok to produce a unified "nationalist" front against the threat of Vietnam. The shift of Beijing's support for the insurrectionary activities of Thai communists was openly indicated by premier Zhao Ziyang during his visit to Bangkok in February 1981. Beijing had been pursuing constructive state-to-state relations with Bangkok since 1979. Yet Beijing did not sever formally its relations with the Thai communists. The potential of Beijing restoring its support for the Thai communists should it consider Bangkok's policy inimical to its interests, has always provided Beijing with some leverage to "guide" Bangkok.

Thailand and China collaborated closely in opposing the Vietnamese invasion of Cambodia. China replaced the United States as Thailand's primary security partner, offsetting the threat of Vietnamese power which had now arrived on the Thai border. Yet, like its ASEAN colleagues

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(although to a lesser degree), there was uncertainty and apprehension in Thailand in assessing Beijing's intentions beyond containing Vietnam, particularly as Beijing had demonstrated a willingness to resort to force in a conflict which involved the ill-treatment of an overseas Chinese community. As a Thai statesman privately noted, "we must oppose the tiger at the door, but we will have to deal later with the tiger in the jungle".[5]

In sum, China's bilateral relations with Thailand benefited from their opposition to the Vietnamese occupation of Cambodia. In the context of strategic co-operation with China, Thailand sought consolidated relations with China. Central to Sino–Thai relations was the common interest in resisting Vietnamese expansionism in Indochina. China's main concern was the Soviet inclusion of Vietnam as part of its encirclement policy towards China, while Thailand's focus was on the Vietnamese military presence along its border. Sino–Thai relations were thus largely consolidated by their parallel strategic interests in co-ordinating their policies to maximize the diplomatic and military pressure on Vietnam.

Beyond Cambodia: Economic Co-operation

As argued above, security and political relations between China and Thailand after the Vietnamese invasion of Cambodia were strongly enhanced by common concerns about Vietnamese expansionism. They were developed in the strategic context of China's opposition to Soviet and Vietnamese power in Southeast Asia as well as Sino-U.S. co-operation. During a decade of strategic co-operation, Thai territorial integrity was ensured, and in September 1989 all major Vietnamese military units were withdrawn from Cambodia. The Cambodian problem basically entered into the second stage of setting up a four-party government headed by Prince Sihanouk, which was finally accomplished in October 1991.

In the past two years or so, Thai security was no longer a pressing issue as far as a threat from Vietnam was concerned. This was illustrated by Thai Prime Minister Chatichai Choonhavan's Beijing visit in late October 1989 when, for the first time, the bilateral trade issue topped the agenda for discussion, with the Cambodian issue being of secondary importance. Ever since then, Thailand has led the ASEAN members in seeking *rapprochement* with Hanoi and the Phnom Penh regime installed by Vietnam in 1979. Although China and Thailand continue to maintain consultations and co-operation to achieve a final, comprehensive solution to the Cambodian issue, the strategic rationale for close co-operation between them has been considerably undermined. With the strategic rationale no longer being solidly supportive of a close relationship in the post-Cambodian context, the question arises as to the future direction of

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Sino-Thai relations. What new trends, if any, have emerged since September 1989? The strategic coalition between China and Thailand successfully rolled back the Soviet Union's influence and Vietnamese expansionism. However, the bilateral relations are now confronted with another problem of coping with the success of their past strategic co-operation.

The Tiananmen incident in June 1989 was a litmus test to determine whether or not there was a strong rationale for close Sino-Thai relations in the post-Cambodian context. While the military crackdown in Tiananmen Square and the following repression received no applause from Thailand, Bangkok did not criticize China nor did it take any action to show its displeasure. Bangkok understood it from the standpoint of the historical assumption about the pragmatism of power in Beijing — it was a "normal" Chinese response. Four months after the Tiananmen tragedy, the Prime Minister of Thailand was among the first senior foreign leaders to visit Beijing. During the visit in October 1989, Thai Prime Minister Chatichai assured Chinese leaders that "Thailand will persist in and develop its good neighbourly and friendly relations with China no matter what attitude other countries take toward China".[6]

In turn, Chinese premier Li Peng expressed his appreciation of Chatichai Choonhavan's "understanding of China's quelling of the anti-government riots in Beijing in June".[7] The Chinese media stressed that the two countries had "set an example in establishing relations between nations with different social systems".[8] President Yang Shangkun, during his visit to Thailand in June 1991, also praised Sino-Thai relations as being "close and all-weather" which would not be affected by any changes across the world or within both countries. It is indeed striking that Thailand has not made an issue of domestic developments in China since the mid-1970s. After all, Thailand itself has been fraught with domestic problems such as coup *d'etats*, communist insurgents, and ethnic conflicts. More significantly, the "understanding" shown to each other is reflective of the parallel interests that both Thailand and China perceive in their close relationship.

A close Sino-Thai relationship will assure China an ongoing voice in the affairs of its southern periphery, and allow it to maintain beneficial interactions with other Southeast Asian countries, particularly the ASEAN states, with whom China's economic and political stakes are great. Indeed, Sino-Thai strategic co-operation had successfuly muted and alleviated much of the other ASEAN members' reservation and suspicion towards China in the past decade. Ironically, Beijing's victory over Soviet-Vietnamese co-operation in Cambodia to a large extent undermined its ability to maintain co-operative relationships with the ASEAN states. Economic weaknesses led to a reduction of its influence. At the same time, Tokyo's influence in Thailand and other ASEAN countries continues to grow as

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Japanese investments play an increasingly crucial role in the region. Japan has become the largest investor in Thailand. It already projects a giant economic commercial presence, and soon its political and, perhaps, military influence will also loom larger. To maintain economic and political ties with the ASEAN countries and to balance Japanese influence in Southeast Asia, Beijing needs to sustain the Sino–Thai relationship and to possess a foothold in its southern periphery.

Chinese analysts have noted that the "ASEAN countries have determined to pursue a policy of 'balanced strength', allowing the United States, the Soviet Union, China and Japan to restrain each other, thus gaining the most benefit in a situation of stability and development".[9] They argue that U.S. military might and economic strength in the Southeast Asian region have tended to decline while Japanese economic strength and political and economic influence upon the ASEAN countries have been increasing. Thailand was the only ASEAN country that was not invaded by Japan during World War II and thus, has no historical heritage negative to a close relationship with Japan. Chinese analysts are particularly concerned with the fact that the "ASEAN countries have become increasingly dependent on Japan for their market, capital and technology". But they also take heart that "the ASEAN countries are afraid that Japan will develop into [a] military power and have been trying to rely on China, the Soviet Union and the United States to check the trend toward the revival of militarism in Japan".[10]

Through increasing emphasis on economic co-operation with neighbouring countries, China has looked not only to reap major benefits for its own development, but to identify itself with peaceful and mutually advantageous opportunities that would ease the fears of potential Chinese hegemonism. An active economic diplomacy with Thailand would serve to change its dangerous "tiger" image in Southeast Asia. In this context, China's broad strategy towards the rest of Asia in the 1990s seems firmly directed towards improved relations with all its neighbours. It is unlikely to pursue either military or ideological expansionism; instead, China wants to strengthen and build economic relationships that benefit Chinese economic development and enable it to be accepted as a full partner in regional development and consultative activities.

As soon as Chatichai became Prime Minister of Thailand in 1989, he announced that Thailand's foreign policy aim was to turn Indochina from a battleground into a market place. There were great uncertainties regarding the Chinese market and about political stability in China, but many Thais still saw potential opportunities for expanding economic relations in the 1990s. Sino–Thai business interests have already engaged in enterprises in Yunnan and will work closely with Vietnam and China if

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Sino-Vietnamese trade relations grow, as seems almost certain for the next few years. Most recently, Thai Foreign Minister Arsa Sarasin said that Thailand had decided to explore possibilities of including southern China in the Thai–Indochinese trade and investment co-operation programme intended to promote co-operation with neighbouring countries, particularly Laos, Cambodia and Vietnam.[11] For the first time, southern China was mentioned as a component of the regional co-operation programme. The idea had grown out of several meetings between top authorities of Yunnan province and Thailand in the past. Even a plan for developing the Mekong River for tourism and transportation between the two parts has evolved.

Sino-Thai trade has expanded and Thai investment in China has increased. China has become the largest purchaser of Thai rice. When the Thai economy was devastated by severely depressed world rice prices, China purchased US$45 million worth of rice and maize from Thailand in early 1986. In the latter part of the same year, China agreed to purchase an extra thirty thousand tons of Thai glutinous rice and twenty thousand tons of green mung and beans, despite the fact that it was exporting the same products to India and Japan.

In March 1978, China and Thailand signed a trade pact and an agreement on scientific and technological co-operation. They also signed a protocol agreement related to the formation of a major joint trade commission. In March 1985, during President Li Xiannian's visit to Thailand, the two countries signed an agreement on establishing a joint committee on economic co-operation and another one on promoting and protecting investment. In the early years after establishing diplomatic relations, bilateral trade value was in the tens of millions of U.S. dollars. In 1982, the figure rose to US$0.46 billion, an increase of twenty times. In 1989, the trade value reached a record US$1.2 billion. China is now the sixth largest trading partner of Thailand. Two-way trade in 1990 was US$1.372 billion,[12] far exceeding the target of between US$0.8 billion and US$1 billion. The Thai–Chinese joint economic committee has set a target of between US$1 billion and US$1.2 billion for 1991. This target is likely to be reached as two-way trade already registered US$0.406 billion for the first quarter of 1991.

More recently, Thailand enthusiastically supported China's resumption of its GATT (General Agreement on Tariffs and Trade) membership at an early date. According to the Thai leadership, the current tendency in the world clearly indicates that political confrontation is on the decline, while on the economic front the trend is that, although all sides are trying to promote mutual co-operation and assistance, trade protectionism and the unilateral implementation of policies are on the rise. Therefore,

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with these new developments, economic factors are very important in international relations. In this connection, Thailand and China should continue to render mutual co-operation and assistance to each other, both in developing bilateral ties and in engaging in various world economic forums, especially in such international organizations as the GATT.[13]

Difficulties and Opportunities for Current and Future Relations

Leaders from both countries have emphatically repeated that Sino–Thai relations are very good, and there is no problem whatsoever between the two countries. But some problems do exist. Both countries have to face the fact that the current export structures on both sides make large-scale trade relatively difficult. In the early 1980s, China had embarked on a programme of competition for market shares in an increasingly friendly Thailand. In the process, a flood of consumer-oriented light manufactured goods from China appeared in Thai markets. The low-cost goods made extensive inroads into the Thai market and, for some time, benefited the local consumers. But, as the Thai economy matures and produces similar commodities, the aggressive sale of Chinese goods in Thailand can only generate friction. Moreover, China's ability to control the prices of all export commodities means that it can undercut the competition at will.

The Thai leadership realizes that the volume of bilateral trade has not been steady, because of the inconsistent demand for imports — oil for Thailand, rice for China. Thailand's exports to China are primarily agricultural products, rubber and sugar. Friendship considerations have been a major factor in Sino–Thai trade but now Thailand has to create a real need for its goods by the Chinese, by convincing them that its manufactured goods are of good quality and worth buying.

Thailand's trade deficit with China has already generated concern from Bangkok. In 1990, Thailand's deficit with China was US$0.836 billion and is likely to deepen owing to increased imports of Chinese industrial goods. More recently, China has made substantial inroads into the Burmese economy, challenging Thailand in supplying cheap consumer goods and in the lucrative smuggling trade in timber, gem, and narcotics. China also competes with Thailand for American and Japanese economic assistance, markets and investment, and for lending from international financial organizations such as the World Bank, the International Monetary Fund (IMF), and the Asian Development Bank. China has been the largest recipient of Japanese bilateral overseas development aid.

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China's participation in economic diplomacy has been greatly hindered by its own level of development and its non-market economy. Another obstacle for future trade and economic co-operation is the similar export structures between China and Thailand. It seems that currently, the Chinese economy can maintain modest but relatively steady growth, assuming some economic reform and greater efficiency but no major breakthrough towards fundamental reforms. Under this projection, China should want to preserve good relations with the ASEAN countries, broaden economic and other exchanges, and look for ways to co-operate in regional efforts to improve economic consultation and consensus. After the Tiananmen incident, the halcyon days for China of automatic entitlement to specific treatment and exemption by some industrial countries and international financial organizations are over. The capitalist world has already shifted its major concerns to Eastern Europe and the former Soviet Union, which are eager to join the market economies after political liberalization. The total demand for capital by Eastern Europe, Latin America and the Middle East is now projected to exceed the Western world's supply by more than US$200 billion. To fulfil its latest Eighth Five-Year Plan (1991–95) and the Ten-Year Economic Blueprint (1991–2000), China has to rely on the ASEAN countries, including Thailand, for trade, investment and technology tranfer. Beijing is keen to attract more investments in energy, communications and raw materials from Thailand.

Another issue of concern is China's conventional arms sales to Thailand and its expanding military co-operation with Bangkok. Senior military officials have regularly exchanged visits. Chinese Minister of Defence Qin Jiwei and the commander of the Chinese air force, General Wang Hai, visited Bangkok and the commander of the Thai navy Admiral Praphat Kristsanachan visited Beijing. In 1990, a Chinese naval training vessel visited Thailand. In June 1991, the deputy chief of staff of the People's Liberation Army (PLA), Xu Xin, met with the commander-in-chief of Thailand to discuss bilateral military ties. Since 1987, when the two sides opened discussions on arms sales, China's sales of military equipment to Thailand have provoked concern in Indonesia and Malaysia. However, given the sensitivity of the issue and the fact that the major part of the Thai armed forces' weaponry is based on the U.S. system, the possibility of a significant shift towards Chinese arms in the foreseeable future can be ruled out.

Thailand has been increasingly important to Taiwanese investments in recent years. Thailand took 40 per cent of Taiwan's total foreign investment in ASEAN in 1984–87. Active interaction between Thailand and Taiwan has caused concern in Beijing. Taiwan's heightened influence in Thailand at least makes Beijing displeased. Bangkok has been cautiously

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telling Beijing that Thai–Taiwanese relations are economic, involving trade more than politics. It is quite unlikely that the Taiwan issue will be explosive in Sino–Thai relations, but it may be a factor facilitating a more vigorous Chinese participation in economic diplomacy.

Both Thailand and China have been careful in improving relations with Vietnam. China has assured Thailand that Sino–Vietnamese relations can only be resumed and developed on the basis of the Five Principles of Peaceful Coexistence. They are not exclusive, and will not affect China's friendly and co-operative relations with Thailand and other Southeast Asian countries. Beijing stresses that better relations would be more beneficial for the economy and trade of both countries. Thailand has also been sensitive to Beijing's responses when improving political and economic ties with Vietnam, Cambodia and Laos.

Compared with the rest of ASEAN, Thailand is now relatively free from the issues of China's ties with the illegal communist parties and the ethnic Chinese, which significantly obstruct China's relations with the other ASEAN countries. China has no veto on the policy of Thailand since Beijing abandoned ideological and material support for the insurgency in Thailand. The Thai communist guerrilla movement was almost completely eliminated. Overseas Chinese who constitute the heart of the entrepreneurial class in virtually every ASEAN state, evoke jealousy and enmity in indigenous quarters. Ethnicity is still a major factor in ASEAN politics. However, the Chinese in Thailand have been fully assimilated and do not constitute a distinct ethnic group as in other ASEAN countries. Most importantly, Beijing now chooses to adopt a hands-off policy on the overseas Chinese. Last, but not in any sense the least, Thailand has no sovereign claim over the Spratly Islands, which are disputed between China, the Philippines, Malaysia, Vietnam, and Taiwan.

Since 1990, China has resumed or established diplomatic relations with Indonesia, Singapore, and Brunei, thereby normalizing relations with all the ASEAN countries. This in turn promises enhanced bilateral co-operation between Thailand and China. China recently renewed diplomatic and trade ties after years of hostility with Vietnam. Its relations with Laos and Burma have also been expanded. At the end of 1990, Chinese Foreign Minister Qian Qichen wrote that during the past year China had attached special importance to developing closer relations with its neighbours, thus articulating the dominant thrust of Chinese foreign policy in recent times.[14] In the post-Cambodian context, the most noticeable change in China's foreign policy is its commitment to formulating its "regional" policy.

Sino–Thai relations bear another characteristic which was manifested in President Yang Shangkun's visit to Indonesia and Thailand on

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5–15 June 1991. Comparing Chinese media reports of the two visits, one can detect a clear Middle Kingdom complex implicit in the Chinese attitude towards Thailand. In his speech at the welcoming banquet held in his honour by the King of Thailand, President Yang noted that "the friendly contacts between our two countries go back to ancient times. The peoples of our two countries have cultivated a friendship since days of old like that between kinsman (*qing qi*). . . . As the saying goes, the more the relatives visit each other, the closer they become. . . . With the concern and support of Your Majesty, her royal highness visited China in 1987 and relayed your profound feelings of friendship for the Chinese people. After visiting China, her royal highness Princess Sirinthon published one monograph after another, talking about China's traditions and praising Sino-Thai relations, namely, *A visit to the Land of Dragon*, and *A Journey of 10,000 miles*".[15]

In response, the Thai King agreed that the relationship between Thailand and China was deep-rooted, dating back to ancient times. The bonds between the two countries and peoples are close and inseparable. In addition to long-time beneficial co-operation, the two countries have maintained wide-ranging and profound ties in knowledge, thought and cultural tradition.[16]

Like the ancient way of China's relations with countries on the periphery within its tribute system, an exchange of gifts was an important part of the diplomacy. The Chinese President's gifts to the Thai King included the *Qian Long Edition of the Chinese Tripitaka* (great sculpture store), while the King's gifts included three paintings of noted Thai modern artists. The Chinese media noted that the *Qian Long Edition of the Chinese Tripitaka*, consisting of 7,240 volumes, is a treasure house for studying Buddhist doctrine as well as ancient oriental languages, literature, philosophy, Buddhist history and the history of translation of Buddhist scriptures.[17]

This was a clear sign that both sides wished to involve family and personal ties (among rulers) to promote bilateral relations. China endeavoured to project its historical cultural superiority. Unity was thus a legitimate and lofty goal — but on Chinese terms. Thailand pleased China by paying homage to the Celestial Kingdom and its cultural superiority. To be sure, traditionalism does not necessarily promote bilateral relations, as had been demonstrated by Sino–Vietnamese relations. China's Middle Kingdom complex could also fuel some concern about the possibility that China may some day dominate the relations. However, other things being equal, traditionalism can be a factor ensuring a solid foundation for Sino–Thai relations unless dramatic events occur, which is very unlikely if not totally inconceivable. China's purchase of Thai rice

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at times, despite its sufficient domestic supply, and its sales of oil at friendship prices when Thailand faces oil shortages, may in part be reflective of this traditionalism.

Conclusion

In the 1980s, Thailand and China actively sought closer links with each other in a mutual concern to block the Soviet and Vietnamese expansion. The trend today in bilateral relations is to develop as much economic activity and commerce as the traffic can bear. Sino–Thai economic diplomacy depends largely on how their economic interests interlock, the intensity of focus that each must give to its economic problems, China's stability, and the integrity of its political system.

In September 1991 Thai Prime Minister Anand Panyarachun visited Beijing and again stressed that Sino–Thai relations had no negative factors despite political and economic changes that have occurred in the region. With the war in Cambodia drawing to a close, Thailand looks forward to economic superiority in Indochina, and feels less dependent on Chinese goodwill. Yet, while a settlement of the Cambodian problem may deprive China of a common cause with ASEAN, it is unlikely to have a negative impact on Sino–Thai relations. With the retreat of the Soviet Union from Southeast Asia, there has been a reduced U.S. presence in this region. Traditionally, Thailand preferred to depend on external sources for its security. A close Sino–Thai relationship would not be costly and is highly desirable for both China and Thailand, economically and politically. A positive Sino–Thai relationship would also be conducive to a peaceful regional environment, which is desirable for both countries.

As noted above, despite some difficulties in current interactions, there exists substantial opportunities for close Sino–Thai relations. However, the nature of economic diplomacy in the post-cold war context imposes much less of a burden on any particular bilateral relationship. The new age of pluralism also diminishes the role that any bilateral relationship can play in the overall foreign relations of each country. The new structural forces in the international system dictate that the Sino–Thai relationship will not be as close as during the time when Vietnamese and Soviet expansionism loomed large. Nor will it be significantly strategically-oriented. Even in the security area, it is out of the question that Thailand will place its major dependence on China for defence. Moreover, defence considerations have broadened to encompass political and economic dimensions. Thus, economic diplomacy will remain at the top of the agenda in Sino–Thai relations.

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Nuclear and Missile Proliferation Issues: Some Approaches to Stability in South Asia

NAZIR KAMAL

Ever since the Indian atomic device test in 1974, nuclear weapons proliferation in South Asia has been a salient regional issue and a cause of increasing international concern. Another issue of growing significance is the development of ballistic missiles by India and Pakistan. Public support in both countries has been increasing for exercising the nuclear weapons option and accelerating the development of ballistic missiles. Alongside these militarization trends, the adversarial relationship between India and Pakistan has worsened. The violent unrest in Indian-held Kashmir has once again sensitized attitudes on both sides towards their major territorial dispute over Kashmir. The domestic political situation in India and Pakistan has further complicated their bilateral relations. Meanwhile, defence spending by both countries has become burdensome and a drag on their plans for economic modernization and development.

Strengthening security and stability in South Asia is a Herculean task, but the imperatives for adopting new political thinking are clear and pressing. In the post-cold war situation, the role of outside powers no longer presents problems. Much depends on reciprocal acts of statesmanship by the Indian and Pakistani leadership.

Introduction

For more than a decade, nuclear weapons proliferation trends in South Asia have been a cause of growing international concern, particularly in

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the West. India and Pakistan can apparently produce nuclear weapons at short notice. In recent years they have also been actively engaged in developing ballistic missiles which could later serve as a potential delivery system for nuclear warheads. Meanwhile, efforts to normalize Indo-Pakistani relations have not made any headway. Political unrest and the eruption of an armed uprising in Indian-held Kashmir in 1989 have caused further complications, increasing the danger of another Indo–Pakistani armed conflict. Such a conflict would very likely unhinge whatever restraints are currently in place, taking nuclear proliferation trends beyond the ambiguity that has so far characterized the public postures of India and Pakistan.

Nuclear Proliferation Trends in South Asia

Most of India's nuclear facilities are not safeguarded. Its reprocessing plants can separate about 250 tons of spent fuel annually.[1] According to one estimate, India could have accumulated 200–250kg of plutonium by the end of 1988 — considered sufficient for making 40 to 50 nuclear weapons.[2] According to another estimate, India can increase its plutonium stockpile by 75kg annually and match China's plutonium production capacity by the mid-1990s.[3] India also became capable of producing highly enriched uranium a few years ago, but it seems to be concentrating on a plutonium capacity.[4]

Reportedly, India is designing smaller and more efficient warheads using beryllium and tritium which it can produce domestically.[5] India is also suspected to be working on a thermo-nuclear device, with reports claiming that India came close to testing such a device in 1984.[6] The general perception is that India can conduct a thermo-nuclear test at short notice.

India's atomic device test in 1974 was perceived in Pakistan as evidence of India's intimidatory attitude and its intention to achieve regional dominance following the dismemberment of Pakistan's eastern half in 1971. In 1976 Pakistan embarked on an uranium enrichment capability after difficulties arose over obtaining a reprocessing plant from France because of U.S. opposition. This facility in Kahuta, near Islamabad, became operational in 1981.[7]

Pakistan's only nuclear power reactor in Karachi is subject to safeguards by the International Atomic Energy Agency (IAEA) which was permitted in 1990 to increase its inspection of the plant.[8] Recently, Pakistan also agreed to permit IAEA inspection of its nuclear research reactor in Nilore. The unsafeguarded uranium enrichment facility in Kahuta is reportedly capable of producing more than 25kg of fissile material

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annually.[9] According to one estimate, Pakistan may have stockpiled between 175 and 325kg of weapon-grade uranium by the end of 1990 — sufficient for 8 to 16 bombs.[10] In 1989, two local journalists claimed that Pakistan had stockpiled about 75kg of weapon-grade uranium, in addition to mastering another technique of uranium enrichment, described as novel.[11]

In March 1987, following the Kuldip Nayyar controversy, President Zia disclosed that Pakistan had developed the requisite technology but had chosen not to exercise the weapons option.[12] Dr A.Q. Khan, head of the Kahuta complex, also later declared that Pakistan had mastered the technology for making nuclear weapons.[13] Similarly, Benazir Bhutto, while in office as Prime Minister, lent credence to such claims in an interview with CBS News in March 1989.[14] In that year, local journalists also claimed that Pakistan could produce a device "at any time" with enough fissile material to make several bombs.[15] Once out of power, Benazir Bhutto disclosed that Pakistan's nuclear programme was accelerated in 1990, enabling the country to go nuclear at short notice. More recently, Senator Larry Pressler stated that, according to the Bush Administration, Pakistan possessed a usable nuclear device — that is, a nuclear bomb "which maybe has to be put together; it is in two pieces or something, but it is there".[16]

There have been unconfirmed reports of attempts by both India and Pakistan to modify some of their combat aircraft for nuclear weapons delivery. Reports in 1988 claimed that India had established a special group to undertake conversion of several Mig-23/27 squadrons.[17] Later in mid-1990, when Indo–Pakistani tensions flared up over the armed uprising in Indian-held Kashmir, reports alleged that Pakistan was putting special racks on some of its F-16s for carrying nuclear bombs.[18]

Domestic political opinions in India and Pakistan are another aspect of proliferation trends in the region. There is wide public support for going nuclear in both countries. Many opinion-makers hold vague notions about the deterrent power of nuclear weapons. There is limited interest in the mechanics of deterrence and concern about the complex challenges of managing a deterrent relationship, the potential consequences of an unstable relationship, and the reciprocal responsibilities of dealing with weapons of mass destruction.

There are political parties eagerly in favour of going nuclear. The Bharataya Janata Party (BJP) is a leading advocate in India, and its party manifesto calls for a strong nuclear deterrent. In Pakistan, the Jamaat-e-Islami (JI) has been the most vocal pro-bomb political party. Both these well organized political parties draw their hard-core support from religious "fundamentalists" who hold highly antagonistic and even confrontational positions on contentious issues between India and Pakistan, including the Kashmir dispute.

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The BJP or the JI, however, are unlikely to emerge as leading political parties, although the BJP has gained from escalating Hindu–Muslim tensions in India and could further improve its electoral standing if the Congress-I party performs poorly while in government or plunges into an enervating leadership crisis. In any case, these parties represent strong pressure groups and can restrict the flexibility of their respective governments, especially if there is a weak government at the centre.

U.S. Non-Proliferation Policy in South Asia

The nuclear issue has for long been a major irritant in U.S.–Pakistan relations. The U.S. Foreign Assistance Act of 1961 was amended on several occasions to strengthen the U.S. non-proliferation policy. The first of these measures was the Symington Amendment adopted in 1976 which prohibited aid to countries possessing unsafeguarded uranium enrichment technology. U.S. aid to Pakistan was terminated in 1979 under this law. The subsequent Glenn Amendment extended the stoppage of U.S. aid to countries trading in nuclear reprocessing technology or nuclear explosive device, or detonating a device.

In 1985, the Pressler Amendment was introduced requiring the U.S. President to certify annually that Pakistan did not possess a nuclear device and that U.S. aid would significantly reduce the risk of Pakistan acquiring such a device. In the same year, Congressman Stephen Solarz introduced another amendment, imposing a termination of U.S. aid to governments seeking to obtain materials by illegal means that could significantly contribute to their ability to produce a nuclear explosive device.

For much of the past decade, Pakistan's role in the Afghanistan crisis ensured the passage of substantial U.S. aid through Congress. In 1981 Congress approved a provision under which the Symington Amendment could be waived if the U.S. President certified that it was in the U.S. national interest to do so. In 1982 a presidential certification freed the five-year US$3.2 billion economic and military aid package to Pakistan. Similarly, in 1987 Congress approved a six-year US$4.2 billion aid package to Pakistan.

Tensions over the nuclear issue, however, resurfaced in 1990 when the last waiver to the Pressler Amendment expired. The U.S. Administration failed to provide another certification to free the US$580 million aid package to Pakistan for fiscal year 1990–91 already approved by Congress. The threat of U.S. aid suspension had begun to loom since mid-1990 when senior U.S. officials visited Islamabad to convey their government's misgivings regarding Pakistan's nuclear programme.

Some U.S. officials reportedly believe that Pakistan developed a nuclear device in early 1990.[19] In October 1990, the U.S. President informed

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Congress that he could no longer certify that Pakistan does not possess a nuclear explosive device. The United States then demanded that it be permitted to carry out inspection to verify Pakistan's claim that it does not have such a device. The two countries also differed over the definition of a device. The U.S. interpreted the Pressler Amendment to cover components and not just an assembled device in a ready-to-deliver form. It also revived its demand that Pakistan unilaterally adhere to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT).

Unilateral acceptance of the NPT regime has been consistently opposed by Pakistani governments.[20] Similarly, there is little prospect that Pakistan will unilaterally agree to U.S. inspection to verify its nuclear status. Such inspection would not only hurt Pakistan's status as a sovereign state, but would also carry sensitive security implications which could benefit India.

The United States has pontificated that nuclear weapons would not be in Pakistan's security interests. These arguments are best reflected in the views of Peter Galbraith, an influential Senate staff member, who said in an interview: "Nuclear weapons are unusable. Pakistan is more likely to get destroyed because India has much greater capability to make nuclear weapons. So I think nuclear weapons would be disastrous for Pakistan".[21] Explaining the U.S. policy, he added: "Our military assistance was designed to provide Pakistan with a credible conventional deterrent. What has to be understood is that Pakistan cannot have both".

A punitive U.S. policy would only strengthen Pakistani defiance and increase the influence of pro-bomb advocates. Similarly, a termination of U.S. aid would weaken Pakistan's conventional deterrent, especially in circumstances of an Indian military build-up, thereby strengthening the position of pro-bomb proponents and putting the advocates of non-proliferation on the defensive. Aid cut-off would also dramatically reduce U.S. influence in Pakistan. Any subsequent U.S. "tilt" towards India would further upset the power balance in South Asia to India's advantage, thus increasing Pakistan's threat perceptions. Such developments would aggravate the conditions for preventing nuclear proliferation by Pakistan.

A series of bilateral meetings have taken place between the United States and Pakistan since December 1990, with Pakistan holding firm against U.S. pressures for unilateral measures. The most recent round of bilateral talks held in Islamabad in November 1991 failed to break the deadlock over the nuclear issue and the related question of U.S. suspension of military and economic aid to Pakistan. Congressional attitude has been more hardline than the U.S. Administration's approach. Nevertheless, the dialogue between the countries has improved and the tensions witnessed in 1990 have subsided. The United States has recently supported Pakistan's

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proposal for multilateral talks on the nuclear issue — a proposal supported by Beijing and more recently by Moscow.

Richard Cronin of the Congressional Research Service has broached an alternative to the Pressler Amendment: a waiver to the certification requirement and a new legislative "fire-break" permitting the restoration of aid if Pakistan takes acceptable steps to ensure that its nuclear programme is peaceful.[22] However, any alternative solution to the Pressler Amendment is likely to prove impractical should it involve a unilateral renunciation of the nuclear weapons option by Pakistan. But limited steps by Pakistan to show restraint (or assuage fears of imminent proliferation) should be possible, provided such measures form part of a wider understanding with the United States and linked to developments across the border in India. The complex domestic situation has distorted Pakistan's decision-making process, but this could change since the continuing stalemate has adverse security implications for Pakistan and the suspension of U.S. military assistance has already hurt Pakistan's conventional deterrent.

The United States has a crucial role to play in engendering mutual restraint by India and Pakistan. The situation seems to be improving for such a role. The U.S. policy has more recently begun to pay some attention to the Indian factor in Pakistan's stance on the nuclear issue. India has come under U.S. pressure to demonstrate its peaceful nuclear intentions by adhering to the NPT. There has also been some domestic questioning of India's ambiguous stance on the nuclear issue. However, Delhi is unlikely to join the NPT regime since the treaty is widely regarded as discriminatory. Adherence to the NPT as a non-nuclear weapon state would foreclose the weapons option which India has guarded jealously (even dogmatically) over the years. While there is some domestic support for India's adherence to the NPT, mainly because of the post-cold war situation and the withdrawal of all tactical nuclear weapons by Washington and Moscow, the balance of opinion seems to be in favour of establishing a relationship of "minimal" nuclear deterrence with Pakistan and China and coming to an understanding with these countries in order to create a situation of nuclear stability.[23]

Regional Nuclear Non-Proliferation Proposals

Although the United States has supported Pakistan's non-proliferation proposals to India, till recently its primary emphasis has been on seeking unilateral commitments from Pakistan. Pakistan has its battery of critics whose pro-bomb advocacy often has a ring of defiance on account of imbalances in the U.S. approach.

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Pakistan has made a number of non-proliferation proposals to India since the 15-kiloton Indian atomic device test, conducted close to the Pakistani border, in May 1974:

1. a nuclear weapons free zone in South Asia (akin to the Tlatelolco Treaty of 1967 applicable to Latin America);
2. adherence to the NPT on a reciprocal basis;
3. a bilateral nuclear test ban treaty;
4. mutual inspection of nuclear facilities;
5. acceptance of IAEA inspection on a reciprocal basis; and
6. a joint declaration renouncing the acquisition of nuclear weapons.

In December 1990, during bilateral Indo–Pakistani talks, Pakistan also expressed some interest in the Brazilian–Argentine model for embarking on a non-proliferation process. In June 1991, it introduced a new proposal calling for multilateral talks between India, Pakistan, the United States, Russia, and China for resolving the nuclear issue in South Asia. The Pakistani proposal does not contain any specific agenda.

Rejecting all bilateral and regional measures, India continues to stress global approaches, such as a comprehensive nuclear test treaty (CTBT), or its 1988 scheme for a global nuclear disarmament process.[24] But Jasjit Singh, Director of the Indian Institute for Defence Studies and Analyses, has proposed an "Asian denuclearized region".[25] He has linked South Asia's denuclearization to the removal of all intermediate-range missiles from around the region (covering China, Diego Garcia in the Indian Ocean, Southeast Asia and the Middle East). But the official Indian position remains unchanged in its opposition to specific regional approaches.

A CTBT is the only global measure of any significance which is acceptable to India. A CTBT also enjoys wide international support but continues to be opposed by the United States. Pressures exerted at the NPT review conference in September 1990 and at the PTBT (Partial Test Ban Treaty) review conference, initiated by Indonesia, in January 1991 failed to bring about any change in the U.S. attitude.

Although simple nuclear devices can be developed without full-scale testing, a CTBT would make it difficult to engage in nuclear force modernization. Moreover, the problems of reliability associated with untested weapons would reduce self-confidence and thus tend to inhibit the use of such weapons except in extreme "do-or-die" situations.

The effective verification of a CTBT, however, remains a contentious issue, although most experts seem to believe that a prohibition could be technically monitored down to a 1-kiloton threshold. Even if technically feasible limitations are accepted, such a treaty among the nuclear weapon states would greatly reinforce the non-proliferation norm. Together with

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follow-up negotiations to the START agreement, progress towards a CTBT would greatly strengthen the NPT regime and its restraining influence on the actions of nuclear-threshold states.

The only positive development in Indo–Pakistani relations of some relevance to the nuclear issue is the agreement signed in December 1988 prohibiting attacks on each other's designated nuclear facilities. After procrastination and delays, this agreement was ratified in April 1991 and became operational in December 1991 when both sides exchanged data on the location of their designated facilities. Another nascent development is India's changing attitude towards the Pakistani proposal for multilateral talks on the nuclear issue. Thanks partly to the United States, there are signs that India may reverse its opposition to the proposal. Multilateral talks would displace the bilateral context of past non-proliferation efforts by the United States as well as deflect some of the pressures on Pakistan. Less isolated in a multilateral forum, as opposed to the bilateral U.S.–Pakistan forum, Pakistan should be more amenable to exercising restraint.

Missile Proliferation in South Asia

While India's Advanced Satellite Launch Vehicle (ASLV) programme has suffered setbacks, with two major test failures in March 1987 and July 1988, its missile programme has been progressing well, much to the satisfaction of its officials and scientists. In 1983 India launched its Integrated Guided Missile Development Programme (IGMDP) after reportedly abandoning earlier efforts to convert Soviet surface-to-air missiles (SAMs) into surface-to-surface missiles (SSMs).[26] Significantly, Dr Abdul Kalam, the chief architect of India's SLV-3 programme, was appointed head of the Defence Research and Development Laboratory (DRDL) which runs the IGMDP. His appointment underscores India's greater priority to defence objectives.

Equally indicative has been the organizational effort behind the IGMDP. A high-powered management board exercises decision-making authority. Headed by the scientific adviser to the Defence Ministry, it includes senior technocrats, bureaucrats, top scientists involved in the IGMDP and the three vice-chiefs of the armed services. Overall there are some 64 organizations directly involved in the IGMDP effort, comprising 19 laboratories, 7 academic institutions, 7 other government organizations, 21 public-sector and 6 private-sector units.[27]

According to Indian reporters, the IGMDP has been progressing at "an amazing rate".[28] In 1985 a missile testing range was set up in Orissa at a cost of more than US$80 million. In February 1988, India tested its first SSM, called Prithvi. Carrying a one-ton payload, it was successfully

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tested at a range of 250km. Prithvi is reportedly much faster than the Soviet Scud-B, and its CEP (circular error probability), said to be under 250 metres,[29] is considerably better than the Scud-B's CEP of 1,000 metres at a range of 300km.[30] Prithvi has been put through several flight tests. The second test in September 1989 was described as a milestone in testing different payloads and trajectories. Meanwhile, preparations have begun for its series production, with its deployment expected in 1992.

In May 1989, India tested an intermediate-range SSM, called Agni, at a range of 1,000km, well short of its potential range of 2,500km. The successful test demonstrated India's breakthrough in such critical areas as re-entry heat-shield and guidance technologies. Agni's success was widely regarded in India as "the beginning of full-scale deployment of ballistic missiles".[31] After Agni's maiden flight test, the Indian Defence Minister expressed India's determination to develop a full-fledged missile defence system. He also said that the IRBM (intermediate-range ballistic missile) under development would not only achieve high accuracy over a long distance but also the capability to deliver "lethal warheads".[32] Meanwhile, Rajiv Gandhi had declared that Agni would be able to "deliver weapons with high precision at long ranges" and that India would be concentrating on "large multistage propulsion systems, precision closed loop inertial guidance, atmospheric re-entry and terminal guidance".[33] According to Dr Kalam, Agni is likely to have a mobile launcher.[34]

The Agni project appears to have benefited from German technical assistance intended for India's civilian space programme, which began in the mid-1970s and continued well into the 1980s. According to Gary Milhollin, German help was concentrated in three critical areas: guidance, rocketry and composite materials.[35] With initial technology transfers, indigenous efforts have brought India close to mastering the closed-loop technology which will enable Agni to correct directional deviations, while Indian officials and scientists regard terminal guidance as a priority objective.[36]

Whatever the extent of Western technology transfers, India has become nearly self-sufficient in missile technology. For example, only 5 per cent of the total component cost of the tested Agni was paid to foreign suppliers.[37] In December 1989, Dr Abdul Kalam declared that India could also launch ICBMs (intercontinental range ballistic missiles) in the 5,000km range, but such testing had not occurred for lack of funding and a political decision to go ahead.[38]

K. Subrahmanyam, former Director of the Indian Institute for Defence Studies and Analyses, regards Agni as a symbol of India's status as a self-reliant power in the international arena.[39] Another Indian analyst has described Agni as a "potent deterrent to strategic blackmail", claiming

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questionably that one-fourth of Chinese IRBMs are deployed in Tibet, close to India.[40] Although Indian officials claim that Agni is essentially a conventional missile and describe the 1989 test as a "technology demonstrator", most observers disagree with the official Indian version. Andrew Mack, for example, does not believe that "expensive and relatively inaccurate missiles with ranges in excess of 2000 kms, like the CSS-2 and the Agni, make *any* strategic sense even with CW warheads. Only nuclear warheads are cost-effective for such systems".[41] Gary Milhollin has pointed out that no country has "developed long-range missiles simply to deliver conventional bombs".[42] Arguing that "the large cost of missile development is only justified by the ability to inflict strategic blows, which conventional warheads cannot do", he maintains that "the Agni therefore can only be interpreted as a step towards a long-range nuclear strike force".[43]

In February 1989, a year after India's Prithvi test, the Pakistan army announced the successful testing of two SSMs: Hatf-I at 80km range, and Hatf-II at 300km range. The government declared that the missiles had achieved their predicted range and accuracy. Although there were no details, the Pakistan army chief vauntedly claimed that the missiles were extremely accurate and could carry a payload of more than 500kg.[44] He also disclosed that a 600km missile was under development although its guidance system was not sophisticated for lack of adequate technology.[45] Reports on Pakistani SSM tests often alluded to Chinese assistance in all these ventures. Reports of Chinese technical assistance to Pakistan later appeared confirmed when Dr A.Q. Khan was quoted as saying that Pakistan was seeking Chinese help in guidance technology.[46] He disclosed this after his visit to China which coincided with the Sino-Pakistani agreement to establish closer co-operation in defence science and technology.

In December 1990, piqued by U.S. pressures on Pakistan over the nuclear issue, the Pakistan army chief claimed that his country was close to testing a long-range missile,[47] presumably the 600km missile he had mentioned in 1989. However, the Pakistani missile projects have not made any significant progress. This probably explains Pakistan's request for the 300km-range M-11 missiles from China and the latter's reported willingness to accede to the request. The United States has opposed such deliveries and, more generally, pressured China to abide by the Missile Technology Control Regime's (MTCR's) restrictions. However, even if China agrees to observe the MTCR's guidelines, the intended supply of M-11s to Pakistan would not breach the restriction on missiles with ranges in excess of 300km.

Non-Proliferation of Missiles

In response to the spread of ballistic missile technology in the Third World during the 1980s, and the dedicated development and intensive use

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of such missiles during the Iran–Iraq war, the United States took the lead to establish in 1987 the MTCR, which initially included the United Kingdom, Canada, France, Germany, Italy, Japan and Spain.[48] The membership of the MTCR regime has now grown to eighteen countries. Although the former Soviet Union was not a member, it had been observing the regime's guidelines.

At best the MTCR's success has been modest. Perhaps the most serious problem, as pointed out by Admiral Brooks, Director of the U.S. Naval Intelligence, has been "the substantial pool of Western or Western-trained scientists, engineers and technicians (which) has successfully been tapped for years by Third World states eager to acquire their expertise for missile development, nuclear, chemical and other weapon projects . . . and willing to pay for it".[49]

MTCR members have tried to strengthen national legislation but the regime suffers from the absence of treaty-type obligations. Other major problems are its limited membership, its focus on Third World states, its disregard of some of their legitimate security interests and concerns, the absence of incentives to induce compliance by Third World states, and the incidence of growing technology transfers among Third World states.[50] Technology transfers between Third World states are likely to become more pronounced with the passage of time.

The Agni test attracted international attention and provoked some U.S. reaction. The State Department and the White House issued statements declaring that further missile proliferation would be regarded as highly destabilizing in a region already ridden by tensions.[51] The U.S. Administration finally banned a missile-testing equipment which had apparently been cleared by the Commerce Department for delivery to India. France likewise held back its Viking rocket engine ostensibly meant for India's civilian space programme. These restrictions may have caused some slow-down, but India's scientific and technological base is well established.

Even at 1,000km, the Agni can easily cover the entire Pakistani territory. At its full range, it would threaten the adjacent regions including much of China. Such an Indian deterrent could also have implications for Pakistan's ability to involve China on its side in a major Indo–Pakistani war. Even the short-range Prithvi, whose deployment is expected in 1992, is much more than a battle-field weapon in view of Pakistan's narrow territorial width. India enjoys considerable geographical advantage in this respect.

To prevent missile proliferation, most Western analysts have typically relied on tightening national laws and increasing the MTCR's membership. But other Western analysts see basic flaws in this approach. Andrew Mack, for example, has been critical of the supply-side approach which

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ignores "the often powerful political and security incentives which lead Third World states to seek to acquire missiles — or missile technology — in the first place".[52] Aaron Karp believes that in the long run the proliferation of ballistic missiles could be controlled only "through measures to address the causes of regional security".[53]

Western focus on military counter-measures has been increasing — for example, the accelerated development of anti-ballistic missiles such as the tactical version being jointly developed by Israel and the United States under the Arrow project. But the potential threat to the West from missile proliferation in the Third World is not an immediate one. It may take some time before Third World countries are able to develop ICBMs and deploy missiles that could withstand a pre-emptive strike. Of the Third World countries, India is the closest to developing such a capability, but this is more of a medium-term possibility. By such time, the West would probably have a highly sophisticated anti-missile defence system in place.

Aaron Karp has proposed a global ban on ballistic missile tests.[54] Besides preventing the proliferation of ICBMs, Karp's proposal would also stunt the further refinement of missiles of lesser range currently under development. In 1989 Jasjit Singh proposed a global IRBM disarmament. Under the INF (Intermediate-range Nuclear Forces) Accord, the United States and the Soviet Union had eliminated all their land-based systems. Singh has adopted the position that Agni's development is not simply a national security issue but should also be regarded as an opportunity for a disarmament initiative.[55] But this view is not reflected in any official Indian statement. In any case, while Singh's proposal would remove the Agni threat to Pakistan, the threat posed by Prithvi would remain.

If China abides by the MTCR's restrictions, Pakistan would be deprived of an important source of technology transfers as well as ballistic missile supplies. India's technological superiority would then ensure a decisive lead, especially in intermediate-range missiles, creating a situation of significant military disparity or imbalance (unless the United States is prepared to provide incentives, such as assistance to set up an anti-missile defence system — an unlikely prospect). It would be best if the *deployment* of ballistic missiles is altogether prohibited, or both sides initially declare their willingness to observe a moratorium for the time being.

Indo–Pakistani Relations

Indo–Pakistani relations have rarely been normal or tension-free. The two countries have fought three wars, in 1948, 1965 and 1971. They have also engaged in two limited armed conflicts over the Rann of Kutch in 1964 and the Siachen Glacier since 1985. In 1971 India not only provided open

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support to the independence movement in former East Pakistan (Bangladesh) but also militarily intervened in support of that objective. In addition, there have been allegations of active interference by both countries in each other's border regions in support of separatist activities.

Besides wars, limited armed conflicts and military intervention, Indo–Pakistani relations have also been marred by the use of force for political intimidation on more than one occasion. A major case was India's "Brasstack" military exercise, conducted in winter 1986–87, when the two sides came very close to a major military clash. At a huge financial cost, the "Brasstack" exercise involved 200,000 Indian troops including forces from the Central and Southern Commands.

The Kashmir dispute has influenced the pattern of Indo–Pakistani relations from the outset. The wars in 1948 and 1965 were directly related to this dispute. The outbreak of a major armed uprising in Indian-held Kashmir in December 1989 has once again made that unresolved territorial dispute a central issue in Indo–Pakistani relations.

The concentration of regular and paramilitary forces in Indian-held Kashmir underscores the gravity of the situation inside that disputed territory. A military solution to the Kashmir uprising does not seem possible. Moreover, unlike the Indian Punjab, the unrest in Kashmir is linked to its longstanding status as a disputed territory. Even if the armed uprising is contained, conditions will remain far from normal, as in the case of the Israeli-occupied West Bank.

India and Pakistan remain deadlocked over the Kashmir dispute. India considers Kashmir to be an integral part of its territory. Pakistan insists that Kashmir is an internationally-recognized territorial dispute whose inhabitants should have the right to decide whether they wish to join India or Pakistan. Since the Kashmir dispute is potentially capable of causing a dangerous Indo–Pakistani war, its peaceful settlement deserves top priority.

Acts of statesmanship are required on both sides. The side on weaker moral and legal grounds should be expected to show more flexibility. A suitable framework would be a comprehensive settlement of all outstanding issues between the two countries. Such a framework could ensure that no adverse security implications arise for either side from a settlement of the Kashmir dispute. Indeed, the ultimate purpose of a comprehensive settlement should be to usher a new chapter in Indo–Pakistani relations and to establish a durable structure for regional peace and stability.

India and Pakistan have held bilateral talks since mid-1990 at the Foreign Secretary level to overcome the tensions in their relations. These talks were actively promoted by the United States with Soviet support. The U.S. initiative was motivated by concerns that nuclear weapons might

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be used if an Indo–Pakistani war should erupt over the Kashmir dispute.[56] There have been five rounds of talks between India and Pakistan since mid-1990. The latest round held in November 1991 registered some improvement over the previous rounds. Both sides have agreed to resume talks on some specific issues which were suspended in past years. They are also expected to begin expert-level discussions with a view to issuing a joint declaration renouncing chemical weapons. However, there is no assurance of sustained or satisfactory progress at the talks on specific issues, especially over the Siachen Glacier dispute.

More importantly, the Indo–Pakistani talks have not made any progress on the Kashmir dispute. Indeed, India has refused to discuss the matter. Meanwhile, the unrest in Indian-held Kashmir remains a major source of tensions and animosity between the two countries. Perhaps the main reason why a war has not occurred so far is that Indian forces are locked in counter-insurgency operations not only in Kashmir and Punjab but also in the north-eastern state of Assam. These internal preoccupations have robbed India of an effective margin of decisive military superiority over Pakistan. Given the bloated arsenals on both sides, the enormous cost of waging a war has meant that a relatively quick victory must be an assured prospect. But such calculations could change over time, either because of domestic developments or because of available options.

Some Approaches to Stability in South Asia

With the end of superpower rivalry, the international system offers greater scope to the major regional states, especially over the medium term, to develop and assert their military power in pursuit of big-power ambitions. The ease with which the smaller states could enlist the active support of one or the other superpower during the cold war period has begun to diminish. This may further encourage hegemonistic tendencies among the major regional states. Nuclear and missile proliferation would accelerate the trend towards multipolarity, lending added significance to such changes in the world order. The "chain reaction" effect of proliferation in one region upon another would also become more difficult to insulate in the post-cold war period.

South Asia is one of two regions, the other being the Middle East, where proliferation trends are most pronounced. These two regions are also contiguous and afflicted by endemic regional instability caused by unresolved territorial disputes and other tensions that breed threat perceptions.

The prospects of containing nuclear proliferation trends in South Asia could improve considerably if the following problems are addressed:

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1. perceptions of Indian ambition to dominate the region and acquire a big-power status;
2. Pakistani fears of India's conventional military superiority and political intentions;
3. the Kashmir dispute;
4. lack of progress towards regionalism; and
5. allegations of interference in each other's internal affairs.

To support its self-image India would need a nuclear deterrent not only for intra-regional purposes but also for discouraging intervention by outside powers. A sophisticated capability would be necessary to deter external intervention. But such a capability is not likely to be at hand in the short-term.

Pakistan's fear of India derives from the latter's conventional military superiority. Such fears are compounded by a history of wars and limited armed conflicts between the two countries, but above all by India's role in the dismemberment of Pakistan's eastern half (now Bangladesh) in 1971, and then its nuclear explosion in 1974. Pakistan also finds itself at a disadvantage (mainly because of India's greater size) in competing with a dedicated Indian military build-up.

The U.S. response to Pakistani fears of India has been to strengthen Pakistan's conventional deterrent with hardware supplies and financial assistance, largely in the form of grants, to supplement Pakistan's hard-currency requirements. Thanks mainly to U.S. assistance, the military imbalance between India and Pakistan is distinctly less pronounced today than it was ten years ago, despite the substantial Soviet military largesse obtained by India during the 1980s. The United States has also exerted its influence to restrain Indian bellicosity towards Pakistan.

From a Pakistani perspective, the problem of coping with India is considered more profound. Despite valuable U.S. assistance, Pakistan's conventional deterrent is by no means formidable. Supported by perhaps the largest defence industry in the Third World, and enjoying the obvious advantages of size, India's major weapons production capability is reaching a new threshold — an area where it is well ahead of Pakistan.

By unilaterally renouncing the nuclear weapons option, it is argued, Pakistan would be laying itself open to the danger of nuclear blackmail by India. A combination of conventional superiority and potential nuclear monopoly would also have the undesirable effect of reinforcing India's self-image as a pre-eminent South Asian power. Moreover, any significant imbalance of power would be harmful to regional peace and stability.

The focus on Pakistan, critics argue, also overlooks the danger of proliferation by India and its extra-regional implications. While India

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has already tested missiles of sufficient range and accuracy to pose a potential threat to Pakistan, it is moving towards missiles of longer range and better accuracy that could give it a force-projection capability of extra-regional dimensions. Meanwhile, as far as the short-term future is concerned, India may prefer to see Pakistan go nuclear first. India could then fully exploit the situation without upsetting international opinion.

In the immediate future, only a crude balance of terror would be possible between India and Pakistan. The management of a stable deterrence would require unilateral and co-operative measures to prevent accidents, unauthorized launch, miscalculations, and misperceptions of each other's nuclear doctrines and their underlying political and military objectives.

In 1990, the outspoken Pakistani scientist, Dr A.Q. Khan opined that Pakistan could destroy India with five bombs while Pakistan could be destroyed by India with three bombs.[57] Public discussion of "nuclear deterrence" in Pakistan remains limited to general observations and somewhat simplistic notions. In India, there is talk about the problems posed by an ambiguous nuclear policy and the benefits of removing the ambiguity in favour of the nuclear weapons option based on the concept of minimal nuclear deterrence.

Strengthening national security without undermining regional peace and stability will require more than a simple (or "minimal") reliance on nuclear deterrence. Nuclear weapons will not necessarily help solve territorial disputes and other contentious issues, but the persistence of these problems as well as tensions generated by arms competition will compound the difficulties of maintaining a stable deterrent relationship. The problems are further complicated by the physical contiguity of the two adversary states, and the close proximity of their national capital as well as other major strategic targets. Warning time would be unnervingly short. Lack of geographical depth, together with a lengthy border, would create additional difficulties.

Nuclear stability would also require sophisticated command and control systems (which are beyond the near-term reach of both sides), supported by co-operative measures to ensure that accidents are avoided, nuclear terrorism by individuals does not occur, and the issues of crisis stability are addressed (currently a tall order). Similarly, India and Pakistan would have to adopt measures to prevent conventional armed conflicts, especially those that could easily cause escalation. A deterrent relationship could go unspeakably wrong if irrational risks are taken in the hope of maximizing gains or if psychological warfare is pressed to dangerous limits. Domestic instability in both countries is a legitimate cause for concern in this regard. In short, the responsibilities of playing the nuclear

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game are altogether of a different order of magnitude than the traditional balance of power game.

In South Asia, the near-term prospects of any breakthrough on the non-proliferation issue appear dim. The armed uprising in Indian-held Kashmir has raised the stakes for both sides. The Kashmir dispute carries the potential for another war, whose outbreak would be both more destructive and difficult to terminate than in past cases. Thus, a war over Kashmir could easily create an irreversible situation and also irreparably damage any prospects for normalization of relations between India and Pakistan in the foreseeable future.

In the strained conditions prevailing at present, indirect approaches could offer some prospect of retarding proliferation trends over the short term. There is an urgent need to reduce the danger of an Indo–Pakistani war. Arms control and confidence-building measures could help to improve the situation. But the potentialities of the arms control approach would remain severely limited unless there is agreement to negotiate the Kashmir dispute.

Indeed, if the Kashmir dispute is negotiated within the framework of a comprehensive Indo–Pakistani settlement, arms control would become indispensable for establishing a stable structure of regional security. The two countries could then discuss measures to establish a relationship of non-offensive defence along their common border with appropriate changes in their military deployments and doctrines. For example, a U.N. monitored force-limitation zone could be established along the Indo–Pakistani border. A much improved Indo–Pakistani relationship would greatly depress pressures on both sides to go nuclear or threaten each other with ballistic missiles. Such a development might even unlock societal and bureaucratic pressures for substantial cut-backs on military expenditures.

Less ambitious measures could also be considered if no significant progress is made towards Indo–Pakistan normalization or *rapprochement*. The laws of armed conflict could be improved or strengthened. Past Indo–Pakistani wars have been fairly "civilized" compared to many wars fought in other regions in the post-war period. But there is no assurance that a future war will remain limited in duration and scale. Contemporary political and technological trends are quite discomforting. Since 1971, when the last Indo–Pakistani war occurred, the arsenals of both sides have become more lethal and the dangers of escalation have increased. The Kashmir dispute has acquired a new character as a result of the armed uprising in the part held by India. Both sides have also persisted with serious allegations of interference in each other's internal affairs with respect to their sensitive border regions. Indian allegations of Pakistani

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interference in Indian-held Kashmir could be addressed by imposing a U.N. monitoring presence at critical points along the Line of Control. However, such an idea was not acceptable to India when Pakistan made the proposal in 1990. Presumably, India fears that a U.N. presence might be the thin end of a wedge or that such a presence would apparently compromise India's two-fold position that Kashmir is an integral part of Indian territory and that the Kashmir issue is a strictly bilateral affair between India and Pakistan.

India and Pakistan should also consider prohibiting attacks on important non-nuclear targets whose damage or destruction could cause escalation to deadly levels. An expanded non-attack agreement would reduce the utility of nuclear weapons and ballistic missiles. At any rate, it would represent a major step towards eliminating "terror-tactics" by both sides from their political and military equations.

Similarly, declaratory agreements could be considered for renouncing the use or threat of use of force in bilateral relations. The idea of a "no-war pact" is not new to Indo–Pakistani diplomacy. A declaration renouncing the use of force could also be made in a multilateral context involving all the South Asian countries. Such declaratory agreements would provide a modicum of psychological reassurance.

Conclusion

India and Pakistan are at a critical juncture, both domestically and in their bilateral relations. They face serious bilateral problems and major challenges of maintaining domestic stability and accelerating the pace of economic development and social change. Their defence expenditures have grown into a heavy burden on the national exchequer. As a smaller country, Pakistan has to dig deeper (almost twice as deep) into its scarce resources.

Indo–Pakistani relations are central to the prospects of regional peace and stability. The region as a whole lies submerged in poverty and other glaring miseries, with income per capita levels among the lowest in the world, and population growth rates exerting acute all-round pressures.

The problems between India and Pakistan are complex and will continue to tie them down unless reciprocal acts of statesmanship occur with the aim of starting afresh. Within a year, the East–West divide was swept away, thanks to new political thinking in Moscow and initiatives to liquidate the legacies of the cold war in Europe. South Asia needs to unlock its own winds of change. This is doubtless a shared responsibility. But as a bigger and more powerful country, and being centrally located in the region, India's role is critical.

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The Religious Factor in Three Minority Movements: The Moro of the Philippines, the Malays of Thailand, and Indonesia's West Papuans*

R.J. MAY

This article looks at three minority subnationalist communities among the Philippine Muslims in the predominantly Christian Philippines; among the Malay Muslims in predominantly Buddhist Thailand; and among the largely Christian and traditional-religious people of Irian Jaya (West Papua) in predominantly Muslim Indonesia. It observes similarities and differences in the three movements and in their relations with their respective national governments, and compares the three movements with respect to the role of religion in defining the separatist movement; the importance of international linkages; and the tendency to fragmentation. In the Thai case, historical circumstances created a sense of a Patani identity which Islam reinforced, but the Muslim identity also created important linkages with the people of Peninsular Malaysia which initially directed the irredentist ambitions of the Patani people and later provided a basis for some support for the Patani separatist demands. For the Moro, Islam provided a unifying factor, defining an ethnic identity which at least partially superseded smaller ethnic-linguistic divisions. In both cases, but especially the case of the Moro, religion also linked the minority populations with a larger ummah (community) and influenced the nature and effectiveness of the struggle. In the case of the West Papuans, Christianity has not provided a significant unifying factor;

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even though some OPM leaders are fundamentalist Christians they have defined their struggle in cultural rather than religious terms and have received only limited support from Christian organizations. None of the majority populations — Christian, Buddhist or Muslim — has been particularly sensitive to the feelings of the minority, but the degree of intrusion into and repression of the minorities seems to have had more to do with differences between strong, centralizing states and weak states than with religious tolerance.

The three case studies also highlight the persistent and pronounced tendency of movements to divide along personal, ideological, and smaller ethnic divides.

The Moro of the Philippines

The Islamization of the Philippine islands began in the fourteenth century.[1] When the Spanish colonists arrived in 1565 they were dismayed to find Moro sultanates in the islands and immediately mounted what was effectively a crusade against the "evil and false doctrine of Mahoma",[2] defeating the Moro in the north and launching a series of attacks on the Moro sultanates in the southern islands of Mindanao and Sulu which continued for the next three and a half centuries. However, when the Philippine islands were ceded to the United States after the Spanish-American War in 1898, the colonial government and its converted "Indio" allies had still not established sovereignty over the Moro, who consequently disputed the handover of their territory to the United States. Resistance to American occupation in the south was savagely quashed by the new colonial government, but in time, attempts were made to win over the Moro leadership through a "policy of attraction" intended to integrate the Moro into the larger Christian Philippine society.[3] The heritage of Christian–Muslim antipathy and distrust remained, however, and when in 1935 the American regime proposed to hand over powers to a Philippine Commonwealth government, a group of Muslim leaders in Mindanao unsuccessfully petitioned the U.S. President to let Mindanao and Sulu remain under U.S. administration. Occasional uprisings against the government continued throughout the 1920s and 1930s and in the early post-war years.[4]

The situation of the Muslim population in the South was aggravated, after the first decade of the century, by a massive influx of settlers from northern and central Philippines and by a substantial inflow of domestic and foreign investment. By the 1960s the Moro had become a minority in many parts of their traditional homeland. Many had lost their land

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through dubious legal transactions or straight-out land grabbing by immigrant settlers, often assisted by police, and traditional Muslim leaders were seeing political power shift to a new generation of immigrant Christian politicians. Violent confrontations between local Muslims, tribal people, settlers, the private armies of local politicians, and the police and military increased in number and scale. In 1972, when President Marcos imposed martial law in the Philippines, the unrest in the south was cited as a reason for such action, though the effect of martial law was to exacerbate rather than reduce the conflict.[5]

The particular causes of unrest in the Muslim south were reinforced at this time by a growing sense of Muslim identity associated with a world-wide Islamic resurgence. New mosques and *madaris* were established and contacts with the Middle East and Islamic Southeast Asia were strengthened. Organizations were formed among Philippine students in the Middle East and in Manila, and the term "Moro", at one time regarded as derogatory, was adopted as a badge of Philippine Muslim ethnic identity.

In 1969 a Muslim (later Mindanao) Independence Movement (MIM) was created. Accusing the Marcos government of pursuing policies of "systematic extermination" of the Moro people it resolved to establish an independent government for the Muslim people of Mindanao, Sulu and Palawan. Another radical Muslim organization, the Union of Islamic Forces and Organizations (UIFO), and the more conservative Ansar El Islam were founded at about the same time. Philippine Muslim leaders also sought the support of overseas Muslims and reported their grievances to the Organization of Islamic Conference (OIC). Following a visit by Libya's Foreign Minister, an Islamic Directorate of the Philippines (IDP) was created to co-ordinate overseas assistance, and in 1969 a group of young Muslims, recruited through MIM and UIFO, left the Philippines and began training in camps in Malaysia, under the patronage of Sabah's Chief Minister, Tun Mustapha, but with the tacit approval of the Malaysian Government.[6]

In 1972, leadership of the Moro movement passed to the Moro National Liberation Front (MNLF), a militant organization led by Nur Misuari, one of the original recruits sent to Malaysia for training and who was earlier, while a student at the University of the Philippines, a member of the left-wing Kabataang Makabayan (Patriotic Youth). The MNLF secured the support of the OIC (of which it was given observer status), the Islamic Conference of Foreign Ministers (ICFM), and President Qaddafi, and as the armed conflict in the southern Philippines escalated it attracted large numbers of Philippine Muslims who took to the hills in a *jihad* against the government of President Marcos.

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In a statement in 1973 the MNLF called for the withdrawal of government troops in the south, the return of all lands taken from the Moro, the practice of Islamic laws and customs in Muslim areas, and the granting of autonomy for the Muslim areas of Mindanao, Sulu and Palawan. A manifesto adopted by the first Congress of the MNLF in 1974 went further: it announced the establishment of a Bangsa Moro Republik (*Bangsa*, nation) and declared its objective of securing "a free and independent state for the Bangsa Moro People". The architects of the 1974 manifesto also denounced "the bondage of traditionalism", rejecting the leadership of the *datus* and sultans as belonging "to an old order which no longer serves the welfare of the People".[7]

Throughout the 1970s, the MNLF, through its military wing the Bangsa Moro Army (BMA), engaged the Armed Forces of the Philippines in bitter, protracted, guerrilla warfare in which thousands of lives were lost, tens of thousands of people displaced, and homes and property destroyed.

Apart from waging a military campaign against the MNLF, the Marcos government attempted to defeat the movement through a series of developmental packages intended to meet the social and economic grievances of the Muslim population, through attempts to discredit the movement politically (capitalizing on splits in the movement and attempting to brand Misuari as a Maoist), and by trying to out-manoeuvre Misuari diplomatically. In 1976 the MNLF and the Philippine Government met in Tripoli, under the auspices of the OIC, to negotiate the autonomy demands of the MNLF. Some degree of apparent agreement was reached and this was embodied in the so-called Tripoli Agreement. However, attempts to discuss the implementation of the agreement broke down amid mutual recriminations, and Misuari, having been earlier persuaded by the OIC to accept autonomy, reverted to the demand for a fully independent Bangsa Moro Republic. The Marcos government went ahead to create autonomous regional assemblies in the Muslim areas of Mindanao and Sulu, but the MNLF boycotted the elections and the assemblies proved to be ineffective.

In retrospect, 1977 marked something of a watershed in the history of the MNLF. Late in that year Misuari's leadership was challenged by the Cairo-based chairman of the MNLF's foreign affairs bureau, Hashim Salamat, who accused Misuari of autocratic leadership, communist sympathies and corruption. Failing to persuade the OIC to recognize his claims to leadership, Salamat set up a rival organization, the Moro Islamic Liberation Front (MILF). Shortly after, MNLF vice-chairman Abul Khayr Alonto surrendered to the government following an argument with Misuari; Alonto later became Speaker of one of the autonomous regional assemblies. A number of other BMA commands surrendered over the next few years,

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and early in 1982 a further split occurred in the Front's leadership when the new vice-chairman, Dimasankay Pundato, established a Reformist Group (MNLF-RG) with headquarters in Jiddah. (Pundato later shifted to Malaysia.)

The divisions within the MNLF had a lot to do with personal differences and ambitions, and with differences of opinion on the subject of autonomy and whether it was possible to pursue negotiations on the basis of the Tripoli Agreement. But they also reflected underlying ideological and ethnic tensions within the movement: the Misuari faction is generally more socially progressive and has strongest support in Sulu; the MILF and MNLF-RG both draw more heavily on religious elements, the former among the ethnic Maguindanao, and the latter among the more conservative Maranao.[8]

From around 1977, international support for the MNLF also began to decline. With the defeat of Tun Mustapha in state elections in 1976, Sabah ceased to provide sympathetic patronage, and the Malaysian Government also backed away. Libya, too, seemed to have lost its enthusiasm for the MNLF following Misuari's reversion to a hardline secessionist position. The OIC continued to support the movement, and to back Misuari against rival claims to the leadership, but it pressed for reconciliation within the movement, and in any case became preoccupied with conflicts elsewhere in the Muslim world.

In the lead-up to the 1986 presidential elections, which culminated in the People's Power revolution and the overthrow of Marcos, Cory Aquino promised, that if elected, she would assist autonomous development in Muslim Mindanao and Sulu, though not, she emphasized, apart from the Republic. Her brother-in-law Butz Aquino, a prominent member of the coalition which supported her presidential bid, actually visited Misuari seeking the political support of the MNLF and in return promising to take up the demand for Muslim autonomy if the coalition were successful.

After the inauguration of President Aquino, negotiations were initiated and autonomy provisions for a Muslim Mindanao were written into the new constitution which was ratified in early 1987. However, attempts to organize joint talks with the main factions of the Moro movement failed and the Aquino government proceeded to negotiate with Misuari. In September 1986, the government succeeded in bringing Misuari back to the Philippines for talks with the President. Misuari made a triumphant return to Mindanao-Sulu, chairing a Bangsa Moro Congress — the first since 1974 — before meeting the President for talks in Sulu. A "continued cessation of hostilities" was subsequently announced and negotiating panels appointed. Meanwhile, Misuari left with a "bodyguard" of several thousand armed Moros to tour Mindanao and Sulu to consult with other

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Muslim leaders. It was hoped that the way had been paved for a negotiated settlement on the basis of the Tripoli Agreement.

Predictably, however, the negotiations soon ran into difficulties. Even before the September 1986 talks began, the MILF and MNLF-RG leaderships dissociated themselves from the outcome of any talks between Misuari and the President and, to emphasize their resentment, launched guerrilla attacks on army personnel and military and civil installations; armed clashes between MNLF and MILF units were also reported. Secondly, although Misuari was persuaded to give up his demand for a separate Islamic state, there were serious doubts about whether the MNLF and the government could agree on the meaning of "autonomy", especially since the influx of migrants from northern and central Philippines had, by the 1970s, brought about a situation in which Muslims were in a majority in only five of the twenty-three provinces of Mindanao and Sulu. Thirdly, it became quite clear during the latter months of 1986 and early 1987 that elements within the government, and especially within the military, were unsympathetic to the government's initiatives towards Misuari; military intelligence reports suggested that Misuari's "consultations" were a thinly-disguised recruitment drive and the then Defence Minister, Juan Ponce Enrile, accused the President of unnecessarily rekindling Muslim separatism. Then, as negotiations were about to resume, in mid-1987 the MNLF accused the armed forces of violating the agreement for the cessation of hostilities, and withdrew from the talks. Misuari has since returned to the Middle East, denouncing the Aquino government, with the apparent support of the OIC members.

By 1987, however, the Aquino government was firmly committed to the constitutional provision for autonomy for Muslim Mindanao. Misuari's withdrawal from the process thus virtually ensured that the MNLF, whose demands had produced the constitutional provision in the first place, would not contribute to the formulation of the autonomy provisions. In his absence, the agenda appears to have been largely captured by conservative Muslim, and non-Muslim, groups. Following a lengthy process of increasingly acrimonious consultation,[9] an Organic Act for the Autonomous Registration of Muslim Mindanao (RA 6734) was signed in August 1989 and submitted to a plebiscite in November. With the MNLF and right-wing Christian politicians actively campaigning against the act (and the MNLF threatening to disrupt voting), the OIC initially condemning but later supporting it, the general public confused about it, and voters reflecting all this in a very low turnout, only four of the thirteen provinces and nine cities covered by the plebiscite supported the Organic Act. Moreover, in Lanao del Sur and Maguindanao, which had voted for autonomy, the respective provincial capitals of Marawi and

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Cotabato rejected it. Regional autonomy now seems set for those provinces which voted "yes", but it seems unlikely that the 1989–90 exercise will prove any less futile than that of 1977. Meanwhile, Misuari has called on the various factions of the MNLF to unite in a renewed armed struggle for a sovereign Bangsa Moro Republic.[10]

In summary, Islam has provided a cohesive force bringing together a number of linguistic groups in Mindanao–Sulu and defining their ethnic identity *vis-à-vis* the Christian majority. In the late 1960s and early 1970s, domestic political factors and a world-wide Islamic resurgence mobilized Philippine Muslims and provoked a confrontation with the Philippine state. At the same time, Islam placed the Philippine Muslims in the larger context of *ummah* (community) and the links with the larger Islamic community both shaped the emerging Moro movement and influenced the Philippine Government's responses to it. In terms of the greater recognition achieved for Philippine Muslims, both within the Philippines and abroad, and the concessions which the Moro have consequently been able to extract from successive Philippine governments under Marcos and Aquino (for example, the recognition of Islamic religion and culture, the establishment of *shariah* courts, the formulation of particular economic development packages, and, for what it is worth, the granting of limited autonomy), the movement must be credited with some success, even within the terms of its own broad and ambitious objectives, and notwithstanding the persistence of personal, ideological and ethnic divisions.

The Malays of Thailand

In many respects, the position of the Malay Muslims in Thailand parallels that of the Philippine Moros.[11] The Malay Muslims (as distinct from a smaller population of non-Malay Thai Muslims, centred around Bangkok) inhabit the four southern provinces of Thailand[12] in what was once the kingdom of Patani. The Islamization of Patani began around the same time as that of Mindanao–Sulu, and the Patani court officially adopted the religion in 1457. Patani fell under Thai control in the late eighteenth century and thereafter experienced alternating periods of independence and subjugation to the Thais.[13]

The emergence of the present Patani separatist movement[14] had its beginnings in a political reorganization in the first decade of this century, in which the Malay provinces of Kedah, Perlis, Kelantan and Trengganu were ceded to Britain (eventually becoming part of independent Malaysia) and the neighbouring area which now comprises the Thai provinces of Pattani, Narathiwat, Yala and Satun came firmly under Thai control. In the process, the traditional Malay leaders, whose powers had already been

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undermined following the Thai conquest of Patani in 1786, were removed from office and the former Sultanate of Patani was incorporated within the national political structure dominated by the Thai Buddhist bureaucracy.

Unlike the situation in the Philippines, the Patani area was not subjected to large-scale in-migration, but non-Muslims came to dominate the administration and, to a large extent, business, and the Thai Government embarked on a strenuous campaign to assimilate the Malay people into Thai Buddhist society. Among other things, the government replaced *shariah* and *adat* with Thai laws, imposed compulsory attendance at Thai primary schools (thereby undermining the traditional Islamic school [*pondok*] system), and promoted the use of Thai over the Malay language.

Malay resistance to Thai integration continued, with some support from the Malay rulers of Kelantan, throughout the early decades of the twentieth century. Many Malays, especially from the traditional élite, migrated to Malaya and the Middle East. Following the wartime Japanese occupation, during which the southern Thai and northern Malayan states were briefly reunited, there was hope that Patani might be integrated into the Federation of Malaya, and a Malayan-based and aristocrat-led Gabungan Melayu Patani Raya (Association of Malays of Greater Patani, or GAMPAR) and local religious-led Patani People's Movement (PPM) were created with the objectives of irredentism and restoring the former Malay rulers of Patani. Following the arrest of PPM leader Haji Sulong in 1948 there were armed clashes between the Malays and the Thai police. The Thai Government succeeded in putting down the revolt but the people of Patani petitioned the United Nations to support their demand for integration with Malaya, and once again many Malay Muslims moved across the border and took refuge in Malaya. Support was also sought from the international Muslim community.

These demands received little support — being specifically rejected by the British Government — and with the killing of Haji Sulong by the Thai police in 1954 and the collapse of GAMPAR and PPM, hopes of irredentism with Malaya were abandoned.

About this time, however, the Malay Muslims shared with the Philippine Muslims a growing sense of religious identity associated with the world-wide Islamic resurgence and, provoked by further heavy-handed measures by the Thai Government to assimilate the Malays into Thai Buddhist society, several new underground groups emerged in Patani to press for Malay Muslim separatism.

The Barisan Nasional Pembebasan Patani (Patani National Liberation Front, or BNPP) was formed among traditional and religious leaders, with strong support from Malay students in Saudi Arabia, Egypt and Pakistan, with the objective of restoring an independent Patani. The BNPP sought

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to realize its goals through both political means and guerrilla warfare (the latter through the National Liberation Army of the Patani People). A second group, the Barisan Revolusi Nasional (National Revolutionary Front, or BRN) was established among the more progressive Malays and operated largely through the *pondok* network. It sought the creation of a Patani Republic and espoused a form of "Islamic socialism". A third group, the Patani United Liberation Organization (PULO), formed among overseas Malay students, adopted a secular nationalist platform and has been the most militant of the three. Since the late 1960s there have been some changes of leadership and splits within the major movements (notably the separation of the Barisan Bersatu Mujahideen Patani [United Front of Patani Fighters, or BBMP] from the BNPP, and a three-way split in the BRN) and some new alignments. Divisions have followed personal, ideological and class lines. Attempts to achieve reconciliation, as with the Moro groups, have proved largely unsuccessful, though there were reports in early 1988 of a "loose alliance" between the BRN and the PULO. Since the mid-1970s there has also been a decline in guerrilla activities (though in 1975 an urban-based fundamentalist guerrilla group, Sabil-illah [Way of God] emerged in Pattani Province) and greater emphasis on securing international recognition and support. In the latter respect, the Patani movement has had considerably less success than the Moro; the three movements have received some assistance from within Malaysia and from the Middle East, though in the past few years the Saudi government, in particular, has withdrawn some of its support, notably closing down the PULO office in Jeddah.

Although the pressures on the Thai Government to reach some sort of settlement with the Malay Muslims have probably been less than the pressures which Philippine Muslims and the overseas Muslim community have exerted on successive Philippine governments, a number of concessions have been made in recent years. These include acceptance (or at least a greater tolerance) of religious pluralism; improved education and socio-economic development packages in the south; increased recruitment of Muslims into the state administrative structure and some training for Thai officials in the Malay language. Attempts to integrate the Muslim leadership into the state structure have also been made through the creation of official national and provincial councils for Islamic affairs and councils for mosques and the election of a *Chularajmontri* (state councillor for Islamic affairs). However, in many instances it is clear that such measures have been formulated with a closer regard to the interests of the Thai state than to those of the Malay population. As a result, a sense of grievance remains and provides the basis for the continued existence of the Patani movement.

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The Free West Papua Movement in Indonesia

In 1945 nationalist leaders in the Netherlands East Indies[16] proclaimed their independence as the Republic of Indonesia. Independent Indonesia was acknowledged by the Netherlands four years later. Initially, there appeared to have been some disagreement among Indonesia's founding fathers whether the Republic should include the Melanesian territory of Netherlands (West) New Guinea, but by 1949 not only did they claim to be heirs to the entire former Dutch territory, but they also justified their demands by referring to an imagined historical "Greater Indonesia" (*Indonesia Raya*) which extended well beyond the boundaries of the Netherlands East Indies. The Netherlands resisted Indonesian claims to West New Guinea and were supported in this both by the United States and by Australia who shared a common colonial border with the Netherlands in New Guinea. However, by 1962 the international climate had changed and under pressure from the United States, the Netherlands and Indonesia signed an agreement which placed West New Guinea under a United Nations Temporary Executive Authority (UNTEA) pending an "act of self-determination in accordance with international practice".[17]

However, there was already a substantial Indonesian military presence in West New Guinea at that time, and with the Dutch withdrawing and the U.N. presence minimal, within months Indonesian authorities had effectively taken over the administration of the territory. Over the next few years political activity among the Melanesians was proscribed, they were substantially displaced from government positions, and there were numerous reports of abuses against the Melanesian population. President Soekarno made no secret of his opposition to the act of self-determination, at one stage in 1965 announcing that there would be no plebiscite.[18] A so-called "Act of Free Choice" (referred to by critics as an "Act of No Choice" or "Act Free of Choice") was held in 1969, but instead of a popular vote it was a managed public consultation (*musjawarah*), and the final vote by some 1,022 appointed delegates took place amid widespread reports of bribery, repression and intimidation.[19] Predictably, the delegates supported the incorporation of West New Guinea into the Republic and although the report of the United Nations representative and reports by visiting journalists criticized the conduct of the Act of Free Choice, outside West New Guinea there was little interest in the subject and the former Dutch territory thus became formally a part of the Indonesian Republic.

The emergence of an embryonic Melanesian nationalist movement had occurred before World War II, in the form of local uprisings against Dutch rule; often these uprisings had millenarian undertones. There had also been a confrontation between Melanesian nationalists and the

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occupying Japanese on Biak in 1942. Following the return of the Dutch in 1944 and the commencement of a programme of rapid economic and political development, Melanesian political participation was fostered through the establishment of regional councils, and subsequently of a partly elected New Guinea Council.

The first "modern" political organization in West New Guinea, the Suara Rakjat (Voice of the People) was formed in Biak in 1945 with the objective of gaining independence for West New Guinea. However, the Indonesian proclamation of independence in August 1945 caused a split among the West New Guinean nationalists. On the one hand, Indonesian-initiated pro-independence parties such as the Komite Indonesia Merdeka (Free Indonesia Committee) and the Partai Kemerdekaan Indonesia Irian (Irian Independence Party) attracted the support of educated nationalists. On the other hand, a "pro-Dutch" group opposed the Indonesian claim to West New Guinea and threw in their lot with the Dutch administration, forming the Gerakan Persatuan Nieuw Guinea (New Guinea Unity Movement, GPNG). The GPNG set up branches around the country.

In the period from 1945 to 1962 an emerging sense of Irianese national identity was caught up in the wider Indonesian–Dutch dialogue, including the debate over the future of West New Guinea, but it was fostered also by the growing influx of Eurasian emigrées from Java who competed for jobs and occupied Melanesian land, and by increasing disenchantment with the pace of political devolution. In 1952 a Protestant-church-backed labour organization, CWNG-Persekding, was launched and quickly attracted the support of Melanesians. Among the political parties which emerged on the eve of elections for the New Guinea Council in 1961, the largest, Partai Nasional (National Party, or Parna), drew the majority of its leadership from CWNG-Persekding. The frenzied pursuit of what was referred to as "terminal colonial democracy" in West New Guinea,[20] from around 1959 to 1962, overcame some of the disenchantment among Melanesian nationalists and, as intended, undermined pro-Indonesian sentiments. The debate over West New Guinea in 1961 prompted a group of educated Melanesians to convene a meeting at which a Komite Nasional (National Committee) was established, a nationalist manifesto drafted, and a flag, a national anthem and a name for the country (Irian Barat) were chosen. In December 1961, the Irian flag was raised alongside that of the Dutch. The Dutch capitulation in 1962 caused confusion and distress in Irian, but the Komite Nasional agreed to accept the New York Agreement, provided that the UNTEA recognized the Irian flag and would arrange for a self-determination plebiscite by 1963.

The use of the Irian flag was, however, expressly rejected by the UNTEA and the terms in which the act of self-determination was specified

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were not honoured. Even before the UNTEA was established there had been an exodus of Dutch citizens and Eurasians from Irian. With them went a number of pro-Dutch nationalist figures, who took up residence in the Netherlands. Others crossed the border into Papua New Guinea (where the Australian administration sent many back). As economic and political conditions deteriorated in Irian between 1962 and 1969, the exodus increased and opposition to the Indonesian administration mounted, even among those who had earlier been in the "pro-Indonesia" camp.

In 1962 some Irianese still believed that an act of self-determination would take place and that an independent Irian was achievable. However, it quickly became apparent that Indonesia had no intention of relinquishing its control and that it would not countenance Melanesian nationalist sentiments. In addition to the ban on political activity and restrictions on the movement of people, the Indonesian administration began replacing senior Melanesian officials suspected of nationalist or pro-Dutch sympathies, and there were frequent reports of Indonesian military action against dissident local groups. This confrontation intensified after Indonesia's military coup of 1965.

Around 1963, villagers in the Arfak area in the west of the island, under the leadership initially of Johan Ariks, launched a minor rebellion against Indonesian rule, subsequently declaring a "Free Papuan State" in the region. They were met with heavy military resistance. Ariks was captured in 1965 and died in prison two years later. His successors later surrendered under an amnesty offered in 1969, but were apparently executed. In the lead-up to the 1969 Act of Free Choice there were uprisings in several parts of the island and reports that several thousand Melanesians had been killed in clashes with Indonesian troops.[21]

Meanwhile, in the Netherlands a "West Papuan Government-in-Exile" campaigned against the incorporation of West Papua (Irian) into the Indonesian Republic. The group's office distributed propaganda and through a small office in New York it lobbied U.N. members to support the principle of self-determination. The group apparently received small amounts of financial and logistic assistance from sympathetic private individuals and groups, including the conservative Protestant Door de eeuwen trouw (Faith through the Ages).

Some time around 1965 the anti-Indonesian nationalist forces within West Papua coalesced in the Organisasi Papua Merdeka (Free Papua Movement, or OPM).[22] Hastings[23] suggested that "The West Irianese resistance movements were loosely controlled by the West Papuan government-in-exile in Delft", but in fact it seems that the groups engaged in a guerrilla campaign against the Indonesian Government in what was to become the province of Irian Jaya operated largely independently of the

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government-in-exile. In 1971 the OPM, from its secret headquarters at "Markas Viktoria" in Irian Jaya, announced the formation of a Provisional Republic of West Papua New Guinea, and proclaimed the territory's independence.

Since 1971, despite frequent predictions of its imminent demise by Indonesian authorities and foreign observers, the West Papuan movement has continued to fight for a free West Papua. It has faced an authoritarian government which has remained totally opposed to the granting of any degree of local autonomy and has displayed a persistent attitude of cultural superiority towards the Melanesian population.[24]

A particular source of grievance among the Melanesian population has been the Indonesian Government's planned resettlement of non-Melanesian (and mostly Muslim) immigrants from other parts of Indonesia, under its transmigration programme. In the early 1980s, transmigration targets envisaged an almost doubling of Irian Jaya's population and suggested that by the end of the century Melanesians might constitute a minority in their homeland. Transmigration was seen by many observers as in part a deliberate strategy to subjugate Melanesian nationalism. In fact, transmigration targets were subsequently revised downwards and even then have not been met. Nevertheless, official transmigration together with spontaneous migration from other islands has substantially increased the non-Melanesian population, which has come to dominate business, small-scale trading, and administration in Irian Jaya.

Early in 1984, in an apparent upsurge of OPM activity, an abortive attempt was made by OPM supporters to raise the West Papuan flag on the provincial assembly building in Jayapura. Two West Papuans were killed in the incident and, according to West Papuan sources, hundreds were detained in subsequent military reprisals. As Indonesian military action intensified, Irianese refugees began pouring across the border into Papua New Guinea; by the end of the year some 12,000 refugees (almost 1 per cent of Irian Jaya's population) had crossed into Papua New Guinea. Despite both countries' attempts to play down the seriousness of the refugee problem, the developments of 1984 served to highlight the grievances of the West Papuan movement and elicited renewed demands from overseas sympathizers for self-determination in Irian Jaya. Papua New Guinea's Foreign Minister was even moved to issue a statement that

> The people and government of my country have a very real interest in ensuring that Irian Jaya is administered in an orderly and peaceful way and that development takes place in the interests of the people who live there.[26]

In Vanuatu, the ruling Vanuaaku Party (VP) voted to recognize the OPM

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and to take up the West Papuan cause at regional forums. The following year the VP general-secretary managed to bring together in Vanuatu the leaders of the major OPM factions, who signed a reconciliatory Declaration of Port Vila. About this time also, it appears that a small number of OPM guerrillas were being trained in Libya, organized by prominent VP politicians.[27]

Over the years the West Papuan movement has managed to survive as an irritant to Indonesian rule in Irian Jaya, although it has been weakened by internal divisions, by the departure of a number of its leaders (several of whom now live as refugees in Europe and Papua New Guinea), and by the vastly superior military capacity of the Indonesian Government. Sympathy, and occasional moral support, have come from emigré Irianese in Europe, Papua New Guinea and Senegal, and from individuals and groups — mostly on the left, and among human rights, indigenous peoples' and environmentalist bodies — in Europe, Melanesia and Australia. Notwithstanding a certain fundamentalist Christian orientation among a number of OPM leaders, apart from the concern of church-related human rights organizations, the Christian church, Catholic and Protestant, has not shown the concern for the plight of the largely Christian population in a predominantly Muslim country that the international Muslim community has shown for Muslim minorities in non-Muslim countries, and the Christian missions in Irian Jaya have avoided a confrontation which might threaten the continuation of their work in Indonesia.

What can be said from these Three Cases?

Comparative studies are always difficult once the rich and complex cultural and historical characteristics of different societies are recognized. In any case, it would take great courage and/or simple-mindedness to attempt to generalize from three small case studies. Nevertheless, some tentative observations may be made.

The Role of Religion in Defining Separatist Movements

Ethno-nationalism/subnationalism may be defined in several ways: for example, by culture or language, by geographical region, by historical circumstance. But in many instances, religion is either an important source of cleavage or a convenient rallying point for people with a perceived grievance.[28] In the case of the Malays in Thailand, historical circumstances created a sense of Patani identity which Islam reinforced, but Muslim identity also created important linkages with the people of Malaya which initially directed the irredentist ambitions of the Patani people and later

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provided a basis for some support for the Patani separatist demands. For the Moro, Islam provided a unifying factor, defining an ethnic identity which at least partially superseded smaller ethnic-linguistic divisions between the Tausug, Maguindanao, Maranao, and so on. In both cases, but especially the case of the Moro, religion also linked the minority populations with a larger *ummah*; this provided moral and some logistic support for the movements in their opposition to the respective national governments, and through this support substantially influenced the nature and effectiveness of the struggle. In the case of the West Papuans, Christianity has not provided a significant unifying factor (partly because it is less universally established in Irian Jaya and partly, as noted, because Christian missions in Indonesia have been reluctant to antagonize the Indonesian Government). From time to time OPM sources have reported the destruction of churches and attacks on mission and nuns, and have complained about the spread of mosques in the countryside, seeking the sympathy of Christian communities beyond the province. But even though some OPM leaders are fundamentalist Christians they have defined their struggle in cultural rather than religious terms and have received only limited support from Christian organizations.

From the aspect of the majority populations, none — Christian, Buddhist or Muslim — has been particularly sensitive to the feelings of the minority, but the degree of intrusion into and repression of the minorities seem to have had more to do with differences between strong, centralizing states (Indonesia and Thailand) and weak states (control of the Philippine countryside being tenuous even under Marcos' martial law regime) than with religious tolerance. Indeed, it would seem to be in the Philippines that religious animosities are most deeply rooted and attempts to convert the minority have been most active, yet it is here also that most concessions have been made to minority demands.

The Importance of International Linkages

Often, unlike cultural, geographical or historical divides, religion is important in minority–majority nationalist relations partly because of the international linkages it implies. These small examples provide an incomplete illustration of the indisputable fact that the international Islamic community is both more generally concerned about and supportive of Muslim minorities than are, say, the international Buddhist or Christian community. This is perhaps implicit in the nature of Islam, particularly in its unity of religious and secular concerns. Yet, it is also apparent in this study — from the relatively low level of support for the Patani and Moro movements from neighbouring Indonesia, from the complex pattern

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of support for different Muslim organizations in the Philippines and Thailand from different Middle Eastern states, from Papua New Guinea's refusal of support to the OPM, and from the virtual acquiescence of some Christian church elements to human rights abuses against West Papuans — that religious solidarity runs a poor second to the more immediate strategic and economic interests of governments and international religious organizations. A more specific instance of this lies in the Malaysian Government's responses to the Moro and Patani movements: at a time when the Philippines was pressing territorial claims over the Malaysian state of Sabah, the Malaysian Government was supportive of the MNLF; on the other hand, not wishing to offend the Thai Government, on whose co-operation it has depended to deny Communist Party of Malay guerrillas refuge in southern Thailand, Malaysia has given little encouragement to the Patani separatists, notwithstanding the close cultural ties across the border.

The Tendency to Fragmentation

As with so many ethno-nationalist/subnationalist movements, what is remarkable in these case studies is the persistent and pronounced tendency of movements, whose basic objectives and common values appear to be cohesive, to divide along personal, ideological and smaller ethnic divides. In this respect, religion, even Islam, seems to be incapable of overcoming the fractious tendencies of personal and group ambitions, loyalties and disagreements.

NOTES

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3. See P.G. Gowing, *Mandate in Moroland. The American Government of Filipinos 1899–1920* (Quezon City: Philippine Centre for Advanced Studies, 1977); and idem, *Muslim Filipinos.*
4. See Samuel K. Tan, *The Filipino Muslim Armed Struggle 1900–1972* (Manila: Filipinas Foundation Inc., 1977).
5. For accounts of this period, see Gowing, *Muslim Filipinos*; T.J.S. George, *Revolt in Mindanao: The Rise of Islam in Philippine Politics* (Kuala Lumpur: Oxford University Press, 1980); R.J. May, "The Philippines", in *The Politics of Islamic Reassertion*, edited by Mohammed Ayoob (London: Croom Helm, 1981); "The Wild West in the South: A Recent Political History of Mindanao", in *Mindanao: Land of Unfulfilled Promise*, edited by R.J. May, Mark Turner and Lulu Turner (Manila: New Day Publishers, forthcoming); and Reuben R. Canoy, *The Quest for Mindanao Independence* (Cagayan de Oro City: Mindanao Post Publishing Company, 1987).
6. See W.K. Che Man, *Muslim Separatism: The Moros of Southern Philippines and the Malays of Southern Thailand* (Singapore: Oxford University Press, 1990).
7. Syed Lingga, cited in Gowing, *Muslim Filipinos*, p. 241. For further details on the establishment of the MNLF, see Lela G. Noble, "The Moro National Liberation Front in the Philippines", *Pacific Affairs* 49, no. 3 (1976); Gowing, *Muslim Filipinos*; May, "The Philippines"; Michael O. Mastura, *Muslim Filipino Experience: A Collection of Essays* (Manila: Ministry of Muslim Affairs, 1984); Nagasura T. Madale, "The Future of the MNLF as a Separatist Movement in Southern Philippines", in *Armed Separatism in Southeast Asia*, edited by Lim Joo-Jock and Vani S. (Singapore: Institute of Southeast Asian Studies, 1984); Majul, *The Contemporary Muslim Movement in the Philippines* (Berkeley: Mizan Press, 1985); and Che Man, op. cit.
8. See Mastura, *Muslim Filipino Experience*; Che Man W.K. "Muslim Separatism: The Moros in Southern Philippines and the Malays in Southern Thailand" (Ph.D. dissertation, Australian National University, Canberra, 1987); and R.J. May, "The Moro Movement in Southern Philippines", *Ethnic Studies Report* 5, no. 20 (1988): 52–64.
9. See T.M. Basman, M.S. Lalanto and N.T. Madale, *Autonomy for Muslim Mindanao: The RCC Untold Story* (B-lal Publishers, 1989).
10. For a critical account of the autonomy process, see ibid. See also R.J. May, "Autonomy as a Solution to Problems of Ethnic Separatism: A Philippine Case Study" (Paper presented at the ASAA Conference, Brisbane, 1990).
11. The two are compared and contrasted in Che Man, op. cit.
12. In the province of Satun, Thai Muslims now outnumber Malay Muslims, and support for Patani separatism has become weaker there.
13. See Andries Teeuw and David K. Wyatt, *The Story of Patani* (The Hague: Martinus Nijhoff, 1970); Tej Bunnag, *The Provincial Administration of Siam, 1892–1915* (Kuala Lumpur: Oxford University Press, 1977); and Che Man, op. cit.
14. For a more detailed account of Patani separatism, see Chaiwat Satha-Anand,

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15. Che Man, op. cit., pp. 162–68.
16. See K. Lagerberg, *West Irian and Jakarta Imperialism* (London: C. Hurst, 1979); and J.A.C. Mackie, *Konfrontasi: The Indonesia–Malaysia Dispute 1963–1966* (Kuala Lumpur: Oxford University Press, 1974).
17. See R.C. Bone, *The Dynamics of the West New Guinea (Irian Barat) Problem* (Ithaca: Modern Indonesia Project, Cornell University, 1958).
18. See J.M. van der Kroef, "West New Guinea: The Uncertain Future", *Asian Survey* 8, no. 8 (1968).
19. See Bone, op. cit.: P. van der Veur, "Political Awakening in West New Guinea", *Pacific Affairs* 36, no. 1 (1963); and "The United Nations in West Irian: a Critique", *International Organization* 18, no. 1 (1964); Peter Hastings, *New Guinea: Problems and Prospects* (Melbourne: Cheshire, 1969); J. Ryan, *The Hot Land: Focus on New Guinea* (Melbourne: Macmillan, 1970); and June Verrier, "Australia, Papua New Guinea and the West New Guinea Question 1949–1969" (Ph.D. thesis, Monash University, 1976).
20. Van der Veur, "Political Awakening in West New Guinea".
21. This period is discussed in more detail in Lagerberg, op. cit.; van der Veur, "Political Awakening in West New Guinea"; and Robin Osborne, *Indonesia's Secret War. The Guerilla Struggle in Irian Jaya* (Sydney: Allen & Unwin, 1985).
22. The term OPM refers to a group of nationalist organizations or factions, which have not always gone under the banner of the OPM. For a discussion of "definitions" of the OPM, see B. Blaskett and L. Wong, "Papua New Guinea under Wingti: Accommodating Indonesia", *Australian Outlook* 43, no. 1 (1985): 46–47. See also Hastings' discussion of the OPM as "a state of mind" in R.J. May, ed., *Between Two Nations. The Indonesia-Papua New Guinea Border and West Papua Nationalism* (Bathurst: Robert Brown and PT Associates, 1986), pp. 218–31; Peter Savage, "The National Struggle in West Irian. The Divisions Within the Liberation Movement", *Australian and New Zealand Journal of Sociology* 14, no. 2 (1978); and Osborne, op. cit.
23. Hastings, op. cit.
24. See Osborne, op. cit.; and chapters by Osborne, Hastings and May, in May, *Between Two Nations*.
25. See chapters by Arndt and Hastings in May, *Between Two Nations*.
26. *Niugini Nius*, 16 April 1984.

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27. See Osborne, op. cit.; David Hegarty, *Libya and the South Pacific*, Strategic and Defence Studies, Working Paper no. 127 (Research School of Pacific Studies, Australian National University, 1987); and R.J. May "Sources of External Support for the West Papua Movement", in *Internationalization of Ethnic Conflict*, edited by K.M. de Silva and R.J. May (London: Pinter, 1991).
28. Interestingly, much more seems to have been written about religion as a source of national unity than as a source of cleavage. See, for example, Fred R. von der Mehden, *Religion and Nationalism in Southeast Asia* (Madison: The University of Wisconsin Press, 1968); Ahmad Ibrahim, Sharon Siddique and Yasmin Hussain, compilers, *Readings on Islam in Southeast Asia* (Singapore: Institute of Southeast Asian Studies, 1985); and Peter Merkl and Ninian Smart, eds, *Religion and Politics in the Modern World* (New York: New York University Press, 1985).

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The Role of International Aid in Myanmar's Development*

DAVID I. STEINBERG

Two significant economic events have characterized the State Law and Order Restoration Council (SLORC) in Myanmar (Burma): the opening of trade to the private sector, and the regularization of the border trade, especially with China. Myanmar remains, however, a highly dirigiste *state, with government intervention pronounced in all aspects of the economy and social and political affairs. That is unlikely to change. Although state intervention in the economy can be highly productive, as in South Korea, in Myanmar it led to the virtual collapse of the economic system.*

Under the SLORC, economic liberalization was not comprehensive enough to solve the state's economic problems, which are critical. The author maintains that Myanmar politics drives economics, and economic liberalization will not succeed without political reforms.

Within this context, lessons from previous foreign aid experience in the 1970s and 1980s indicate that foreign assistance, although necessary to development, must proceed deftly or the state will neglect to effectively implement articulated reforms; that policy advice is anathema to the military; that the military will continue to be dirigiste*; and that intersectoral assistance is presently beyond the capacity of the state.*

As the primary focus is on politics, economics will be held hostage to political reform. The military also believes its own internal propaganda concerning the role of foreigners in the potential dissolution of the state, and underestimates the degree of foreign antipathy to the regime. The minorities at the same time

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have indicated that they have abandoned their previous pushes for independence and would settle for meaningful federalism.

The author suggests that under these circumstances Myanmar's neighbours should, under U.N. auspices, reaffirm the international borders of the state, and that foreigners and foreign assistance should only provide new assistance when internal negotiations proceed among the Myanmar people on a new and acceptable constitution.

Introduction

In July 1988, in the waning hours of the Burma Socialist Programme Party (BSPP), the ruling élite made two important decisions that were implemented after the military coup of 18 September 1988. Both profoundly affected the economic structure of the state.

On 23 July 1988, at the extraordinary meeting of the BSPP, during which General Ne Win announced his resignation as Chairman, the party determined that economic liberalization was necessary, and that the private sector should be encouraged to participate. That decision was probably prompted both by the economic chaos that an ill-conceived and badly implemented state-directed socialist structure produced (a problem that Ne Win himself had recognized a year earlier), and by the Japanese who at that time was dispensing about half of the US$400 million that Myanmar received in aid, and who had provided some US$2.2 billion in foreign aid since 1954. The Japanese Government had warned Myanmar in March 1988 that unless substantive but unspecified economic reforms were undertaken, it would have to reconsider Japan's economic relations with Myanmar.

The second decision, announced in early July, was to legalize and tax the border trade between China and Myanmar beginning on 1 October 1988 through the formal opening of overland trade routes. These routes had been cleared in military campaigns ostensibly against the insurgents, and had previously serviced widespread smuggling. The government's concern was not the stoppage of the trade, which could not be denied, but who would reap its considerable profits.

Following the military coup of 18 September 1988, which in effect retained the regime through other means, both policies were implemented, with important socio-economic effects. There is no question that there was widespread support for the resuscitation of the indigenous private sector and the introduction of foreign investment. Many, if not most, of the approximately 235 political parties that registered with the State Law and Order Restoration Council in anticipation of the 27 May 1990 elections (more than 90 of them actually put forward candidates) explicitly advocated the encouragement of the private sector.

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The regularization of the China trade, followed by the acknowledgement of the informal but recognized, decades-old trade routes to Thailand, and a barter agreement with Bangladesh, all reflected and stimulated consumer spending on commodities. This was prompted and exacerbated by a public fear of further national demonetizations, such as had occurred on 5 September 1987 (the third since the coup of 1962). The spurt in imports made even less effective the already marginally productive role of the state economic enterprises (SEEs), and the public sector which was already badly equipped, obsolescent, politically run, and inefficient in production and distribution but on which the state had formally relied for such goods.

In other circumstances, economic liberalization would have been greeted by the multilateral and bilateral international donor community as a salutary change in economic policy that would both encourage growth and, consequently, prompt additional assistance. This change, however, was overshadowed by the coup, the repression that followed, and the dire situation regarding human rights. The resultant virtual cut-off of foreign economic aid, which had flowed since 1988, affected Myanmar's policies, and helped create a new set of economic issues in addition to those already profoundly influencing the society.

As donor organizations consider their potentially positive or negative roles in Myanmar in the 1990s, such decisions will be affected and circumscribed by traditions, production and trade patterns, current policies, regime attitudes, and past aid patterns. They also should profit from the lessons from previous foreign assistance to Myanmar. This article will examine some of these aspects before discussing future assistance programmes in the light of history.

Myanmar, a *Dirigiste* State

It has been a cardinal characteristic of public affairs in Myanmar since independence that political considerations have influenced and guided economic policies. This is probably an accurate description of most societies. In Myanmar, the argument continues, this factor has been more pervasive and profound than in many other states, and has effectively vitiated many of the professed economic reforms that the ruling regimes sought to initiate.

The origins of state intervention go back to and beyond the colonial period, on which we need not dwell here except to note that the socialist ethic, which was in apparent conformity with Buddhist principles and was an intellectual bulwark against European imperialism and foreign

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(Indian and Chinese) control over much of the economy, was very broadly accepted by the people in the 1930s.

Under the Anti-Fascist People's Freedom League (AFPFL) government until 1962, moderate socialism prevailed, and the state engaged in economic intervention in the economy as a whole. After about a year following the military coup of 1962, a rigid and doctrinaire socialist economy emerged that virtually forced the economic collapse of the state, which had little of the competence, technically or bureaucratically, to run such a complex endeavour. The state was held together by a centralized force, and, ironically, by a fragmented economy based on village-level self-sufficiency.

The result was the BSPP *mea culpa* of 1971 at the first party congress, at which a catalogue of national economic ills was presented.[1] The reforms that were approved in the early 1970s were modest, retaining socialist goals within the context of a new Twenty-Year Plan (and five four-year plans to achieve the targets of increasing incomes and reducing private-sector influence) that was to stress the natural endowments of the country — agriculture, forestry, fisheries, and mining (oil) — rather than trying to create an industrial proletariat. Foreign economic relations were re-encouraged. The BSPP did institute some modest economic and fiscal reforms, prompted by the World Bank. They were successful in generating some additional state income and in some improvement in the SEEs.

Foreign assistance was sought: the World Bank was invited back into Myanmar, the state joined the Asian Development Bank, and bilateral support was advocated. Until that time, the Japanese had been the major supporter of the state with the United Nations Development Programme (UNDP), and China playing a more modest role. In fact, it can be argued that without Japanese assistance during those difficult years of the 1960s, the regime might have collapsed.[2]

The underlying problems of the economy continued, however, masked and only ameliorated by two factors: the introduction of the newly imported high-yielding varieties of rice coupled with an extensive party campaign that enforced their production in the 72 most important rice-growing townships, and the vast increase in foreign aid. Reported figures on growth in the economy (when they were accurate — Burmese statistics are noted for often being whimsical, and there was perceived to be a strong and persuasive need to show continued progress to the top of the hierarchy) could essentially be attributed to agriculture, and more specifically, rice. Foreign assistance grew by approximately twenty times in the 1970s. However, structural reforms do not seem to have been considered or seriously debated at policy levels.

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Myanmar was affected by two factors that impeded its progress. The first was the role of the political process and a hierarchical structure of authority that instilled fear throughout the society, including in economic activities. The second, unintentional on the part of the donors, was the plethora of foreign assistance that took the pressure off Myanmar for internal reforms even as the donors desired them. The country seemed ripe for foreign aid and attractive to donors; it was neutralist, poor, had relatively equitable income distribution,[3] seemed to stress social services, and was exotic. The Myanmar government, on the other hand, believed that assistance was their due, and if it were appropriately proffered, they would take it on their terms.[4]

Elements of the government understood that the state did not have the capacity to micro-manage the economy, and some also admitted that they could not co-ordinate foreign aid between or among various ministries. Thus, as part of the reforms, the state theoretically but only partly allowed state industries to hire and fire and set prices. In fact, there was no real administrative freedom, because there was no freedom from political fear. Prices could not be changed easily to reflect costs, in spite of a newly introduced system intended to allow it. The party (thus, in effect, the military) dictated the hiring and firing. For example, even when the state ended its monopoly on grain sales in 1987, the party pressured the agricultural corporations to retain the 6,000 or so employees who had performed that function but who were no longer needed.

The whole state apparatus, including and perhaps most especially the Cabinet, looked to Ne Win, and if it was felt that he was not sympathetic to any particular issue, it was not raised. Even the most mundane of decisions (such as the sending of a single individual abroad for study) had to have Cabinet, and thus Ne Win's, approval. Bureaucratic and economic constipation in decision-making set in. At the same time, imports increased to fuel the SEE's needs in raw materials, intermediate goods, and spare parts; and debt rose. The crisis came to a head in the early 1980s, when world prices for the country's exports fell, inflation raised the costs of imports necessary for the operation of public sector industries, and the Japanese yen appreciated in value, thus raising debt.

The longer-term result of foreign assistance was more infrastructure, but also more economic activities dependent in part on imported components. At the same time, although the state was able to raise more revenue through better taxation systems (based on World Bank suggestions), it continued to spend a major proportion of its current budget on the military, an amount estimated to be at least 50 per cent more than the published figures of 25–30 per cent of the budget.

The *dirigiste* concept of the state in Myanmar probably originated

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in early Indian concepts of statecraft with the leader and his capital as the magical centres of authority. These need not concern us here, but more germane are the current highly personalized concept of power and the role of central authority, perhaps stemming from the same source. There has never been, in the Western sense, a separation of powers. There have been few autonomous institutions. Those that did exist in the pre-1962 period, such as the *sangha* (Buddhist monkhood), were controlled by the state in the military period. Under the BSPP there were no autonomous institutions, and this centripetal force has continued to the present. It is evident that at every stage of life in Myanmar — the traditional period, the colonial era, and since independence — the state has intruded, managed, controlled, and cajoled the whole economy, and indeed intervened in most aspects of Myanmar society.

The opening to the private sector in 1988 was without question an important advance. Foreign investment was allowed not only, as in the past, with the public sector (this was largely theoretical, as there had been only one such investment — a West German firm close to Ne Win and engaged in armaments among other enterprises), but also with the co-operatives — that parastatal element of state control over distribution and some more modest elements of production — as well as with the indigenous private sector. The state reserved for itself a major section of the economy, from oil and teak to banking and communications. The media continued to be under state ownership.

The issue of *dirigisme* does not in itself imply a negative normative judgement. Some societies, such as the South Koreans, have a record of having a highly interventionist state, major control over perhaps one-third of the gross national product (GNP) during the period of quick economic expansion, complete control of institutional credit at critical periods, and a private sector subservient at that time to the regime in power. Yet few states have equalled the Korean economic record. The issue, therefore, is essentially not that of the *dirigiste* state, but whether there is an administration determined to use the ability of economists to make rational decisions that are in turn supported and encouraged by the political leadership, and implemented by an effective bureaucracy recruited on merit. Myanmar lacks all of the above.

The Effects of Economic Liberalization under the SLORC

The SLORC has articulated its role as transitory, even if it may wish to have a profound, long-term impact on the society. It evidently intends to have veto power over any government that will replace it. Thus, although it may view its economic role as temporary, it regards its influence as

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permanent. The Minister of Planning and Finance, responding to a question by this author in 1989 on why foreign firms might wish to invest in Myanmar before an election, the results of which were unpredictable, replied that the process of economic liberalization was irreversible.

From the vantage point of the SLORC, one that is both skewed and short-sighted, the economic liberalization to date may be viewed as quite successful. Myanmar has edged onto the world economic map, where previously it had fallen off. Foreign businessmen have been prevalent in Yangon and joint ventures have been formed. Consumer products have been in supply, even if many are from the black market. Indigenous entrepreneurs have been appearing and there is considerable foreign exchange. Rice prices have been held in check, and thus overt public disaffection has been limited. The society is rigorously controlled by a rapidly growing and better equipped military with a more powerful intelligence arm. Foreign ambassadors have paid appropriate courtesy calls on SLORC leaders, all of which have been dutifully reported in the controlled press and provided the regime with added legitimacy. The Chairman of the SLORC has visited China with a 52-person entourage and considerable fanfare. Foreign debt is pressing but could be manipulated.

From a longer-range and professional perspective, however, the problems are acute, and likely to grow. The money supply was booming — officially increasing some three times in the period following demonetization, and twice before that. The government could engage in an extensive local reconstruction and resettlement campaign with these funds, and the bills would only become due later. Inflation has been set officially at some 40 per cent, but even General Khin Nyunt has admitted it could be higher. The black market exchange rate is about fifteen times the official rate. The SEEs, which have had their debts written off, are still a drain on the public budget, and there is no sign that the government is seriously considering change. Their level of production is about a quarter of capacity. The major portion of the economy is in the informal sector. Most foreign donors have stopped assistance. The environment is being ravaged by lucrative, but disastrous, contracts for teak logging and shrimp fishing that are depleting the state's natural reserves.

Most foreign investments (with the exception of oil exploration) are generally of a short-term nature, involving trade and labour-intensive industries that can easily be moved should greater profits in less precarious economic environments be found elsewhere. The costs of an enlarged military have been shielded from public scrutiny, but have prevented needed allocation of funds for development projects. There is still no separation of powers, so that there is no institutional means to mitigate inappropriate or ill-informed opinion. Under the BSPP, feedback to the *Pyithu Hluttaw*

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was an articulated element of the "report back" system in which legislators visited their constituencies and heard complaints. It became formalistic and did not work well because of the hierarchical structure of power, but even that element has been lost under martial law. At the same time, the SLORC has been engaged in a continuing diatribe against most foreigners (especially those from the West) who are said to have intentions of subverting the state.

Because power is highly centralized and personalized, criticism from below is inappropriate and even dangerous. Although the proverbial messenger bearing bad tidings may not have been shot, he is certainly suspect, and such news is unwelcome. Because the eighteen-man SLORC is generally insular and poorly educated, it may have only a minimal understanding of the external image that Myanmar, in its continuing and repressive military incarnation, is creating.

The effects of economic liberalization, even in an economically incompetent *dirigiste* state, are not all negative. There is little question that foreign capital is sorely needed. Equally important, foreign technology is required. Most promising, and the only investments that have longer-range implications for the economic betterment of the state, are the ten oil contracts for on-shore exploration, the first in the country's history since independence. The potential is said to be substantial, although logistic difficulties and lack of infrastructure are apparent. Myanmar, prior to World War II, had been both an energy (oil through the Burmah Oil Company) and food (the largest exporter of rice in the world, amounting to 3.123 million tons) exporter. Some have thought that the SLORC is essentially mortgaging its future by using the foreign exchange it has gained from signing payments on these contracts to support the military, and counting on future oil revenues to provide the means of living in the style to which they have become accustomed.

Perhaps the clearest, most explicit, indication of military intentions to continue its *dirigiste* role was the formation in 1990 of the Union of Myanmar Holding Company, a firm held completely by the military (40 per cent by the Directorate of Procurement, Ministry of Defence; 60 per cent by military units, together with active duty and retired individuals). It was capitalized at up to 10 billion kyats, or about 22 per cent of the official GNP. It has already formed a joint venture with the Daewoo Corporation of Korea to produce textiles for export.

At the same time, because of signing payments on oil exploration contracts, government agreements with the Thais for logging concessions along their frontier, and fishing rights in Burmese waters (as well as the sale of part of the Burmese embassy in Tokyo, bringing in some US$230 million), foreign exchange reserves have risen. Although Myanmar has not

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officially published its debt figures after 1989, it seems evident that disbursed debt is about US$4.17 billion, perhaps 55–60 per cent of an ill-calculated and highly dubious GNP. Myanmar has serviced its multilateral debt, but is in arrears for its Japanese and German debt. The French have forgiven the regime some of its debt, and the Japanese have offered some debt relief. To get these benefits, Myanmar lobbied hard in the United Nations to achieve (in December 1987) least developed status, a designation for which it does not actually qualify as its literacy level is far higher than the maximum specified.

Myanmar seems to have been expending and mortgaging its foreign exchange reserves and potential foreign income from oil for the purchase of arms, especially from China, with which it consummated a US$1.2 billion loan. The expansion of the military, from its previous level of 180,000 to its present 230,000, and its anticipated 300,000 by the end of 1991 (and, it is said, to 430,000 and 500,000 in a few years) can only come from its continued printing of currency and use of its recently acquired foreign exchange, for in December 1987 (following which the political deluge took place and the economy further faltered) Myanmar had total reserves of about US$28 million — virtually bankrupt. Military expansion of this magnitude even in a *tatmadaw* (armed forces) that is essentially labour-intensive rather than capital-intensive, such as the Thai, can only undercut economic investment and progress.

The economic openings have been significant, but inadequate to achieve the goals that the regime seems to have set for itself.[5]

The Need for Reform

To catalogue the need for specific reforms in Myanmar is to catalogue the needs of the society as a whole.[6] If, as seems apparent to this writer, the primacy of politics has prevailed, then single economic reforms, however important, are likely to be generally ineffectual. Even more sweeping economic changes may not produce the desired results. What may have to come first are political changes.

Spain may offer an instructive lesson. In making the transition from a militarized dictatorship under Franco to a democracy and a more open economic system, Spain consciously made the decision to make political reforms before economic restructuring, although both were needed.

If, as this author maintains, politics are in command in Myanmar, then any economic reforms, however important and necessary, will be held hostage to political interests, which (if the past is any indication) will vitiate their effectiveness. Furthermore, economic restructuring will affect negatively in the short term large segments of the society, such as

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those with vested interests, those on fixed incomes, employees of the state economic enterprises, and others. It is unlikely that an unpopular regime could survive the considerable political, social, and economic tensions that economic reform would generate without the use of stark military power, which in turn would further hamper market restructuring. In spite of the ubiquitous slogans appearing in the press exhorting the public to love and respect the military, it is highly unlikely that the regime enjoys widespread popularity in its present administrative role, whatever the populace may feel for the military as an institution.

The first requirement is, then, for political reform in a manner that is acceptable to a wide section of the populace. This may also mean the creation of various social and economic safety nets to ease the economic transition (for example, from a monopolistic public sector to a more competitive system). Spain accomplished this through increasing short-term debt, which it could afford to do. Myanmar would be in a more difficult position should it attempt this route. Important here is the need for economic restructuring coupled with a social conscience.

Whatever the methodology adopted, there will have to be some transition to a more effective economic system. One may be tempted here to reproduce any index to any standard economic textbook as the catalogue of necessary reforms, but it may be more productive to mention selective and priority needs. They would include:

1. The creation of a politically independent central bank that would manage the money supply, set or monitor exchange rates, and set surveillance of performance of the banking system as a whole.
2. The formation of a banking system autonomous from political interference (even if under distanced government ownership).[7]
3. The provision of credit, based on objective criteria, for the indigenous private sector.
4. The encouragement of indigenous entrepreneurship and production.
5. The training and deployment of a professional, merit-recruited, apolitical civil service.
6. The development of laws and regulations, backed by some form of guarantee, of predictable actions related to internal and foreign businesses and investment.
7. Limitations on corruption.
8. The re-establishment of an educational system based on effectively administered standards.[8]

These requirements are, in fact, based upon the need for the effective divorce of politics from economics. In no state is such a separation complete, and the economic resources of a state may help determine how

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much separation is necessary or possible. Their continued interaction in Myanmar, however, without political change will mean an ineffectual economic structure not capable of meeting the needs that the future leaders of Myanmar will set for themselves.

There have been indications that these problems are becoming more acute, and if not ameliorated will undercut whatever progress may be made. General Khin Nyunt[9] has admitted, for example, that "most" public service personnel in 1988 had followed the "wrong path", and that recently 4,545 personnel had been dismissed or disciplined for opposition to government policies, and an additional 10,516 for corruption. This purge, together with that of 1988, means that administrative competence has diminished as loyalty to the military is stressed, even as such competence is more acutely needed.

The needs, then, are myriad.

The Role of Donors in Myanmar

What, then, might be the role of foreign economic assistance in Myanmar in the 1990s? This potential role is influenced by factors both external and internal.

The first such factor is a major international trend in which Myanmar may be considered. There is now almost universal agreement among major bilateral donors of the Development Assistance Committee (DAC) in Paris, including the European Community, Japan, and the United States, that human rights and political issues, as well as limitations on military expenditures, should and will play a role in the allocation of foreign aid. There is some discussion that within the context of sound banking policies, the World Bank and the Asian Development Bank are considering such actions, although such factors are not within their original charter. In any case, the bilateral donors have a pervasive influence in these multilateral institutions, and could effectively block loans to any country in violation of these principles, should the major economic powers so agree. China and South Korea are two exceptions to the list of donor states expressing concern about human rights in Myanmar.

Conversely, it is also apparent that if the record of bilateral assistance is examined for the United States during the period when human rights were said to be a major concern (that is, the Carter Administration), then it is clear that there was considerable slackness in the execution of that policy, both because of political/security considerations and because assistance was said to be designated for the poor. Yet, as those in foreign assistance know, money is fungible, and foreign aid for one project might free local government funds for some less "desirable" endeavour. Although

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the human rights effort may have created an admittedly important impression of concern, reality has tagged far behind rhetoric. But because no major donor (except perhaps China) has strategic interests in Myanmar, the human rights considerations are likely to carry considerable weight unless there are important changes within the country. As Chinese economic influence grows, greater concern on the parts of both Thailand and India may be expected to limit China's potential role there and to prevent it from feeding from the same trough.

There is no question that Japan is under pressure from the country's business interests to lend to Myanmar once again, but as a member of the Organization for Economic Co-operation and Development (OECD), the diplomatic influence of other donors may sway the Japanese. Yet, a senior Japanese official has told this writer that new Japanese human rights policies (the "Kaifu Doctrine") would not affect the US$1 billion lending programme to Indonesia, a state that has questionable political and human rights records. Japan is the critical bilateral donor, one whose policies towards Myanmar will be most important. Its new aid policies may thus be ineffective where its political or economic interests are seen as transcendent. Myanmar also holds a strong emotional attachment for Japan. For Japan's own articulated policies to be effective in Myanmar, however, the co-ordinated influence of other donor states may be necessary.

Internally, there are several lessons to be learned from previous foreign aid efforts in Myanmar. The first is that foreign policy advice is anathema to the military, at least if publicly voiced. The second is that the military as in the past will continue its strong interventions in the economy and society as a whole. The third is that too much assistance (as in the 1970s) will effectively undermine Myanmar interest in substantive economic reforms. A fourth is that co-ordinated economic planning involving intersectoral considerations (as opposed to individual projects) is presently beyond the capacity of the state, both because of the lack of trained staff, and because such planning normally involves complex political decisions. These factors should provide a backdrop to and cautions about thinking on foreign assistance.

In the 1990s clear and distinct alternatives may emerge, although presently this seems remote. At one end of such a theoretical spectrum, political stasis continues indefinitely under martial law, under which rule is by decree. (The military was responsible for this from 1962 to 1974). At the other extreme, power is turned over to elected representatives, the SLORC is dissolved, and the military returns to the barracks, not to intervene in politics again. The former alternative seems far more likely than the latter, although both are improbable.

If the SLORC continues its present political policies and stasis is

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maintained, major donor assistance is unlikely for new activities during that period. The government, together with Japanese business firms, will likely put pressure on Japan to restart a new programme. China, and perhaps South Korea, would remain donors of some significance. Other foreign assistance would probably be denied, even though the multilateral donors, not now bound by political or human rights concerns, would feel under pressure to resume lending. A liberal and civilian regime would no doubt attract relatively massive assistance. There are dangers in this latter, if remote, eventuality as well.

More likely are less Cartesian situations, ones mixed both politically and economically. This writer believes the SLORC when it says that a multiparty political system will evolve. The timing of that system, if it does come about, however, is unclear and will probably be later rather than sooner. A multiparty system also does not necessarily mean a democratic system, nor one not subject to military veto. It may also not mean one in which basic human rights are honoured. Ethnic autonomy may not mean ethnic power.[10]

If one looks further into the 1990s, when political changes will most likely take place in Myanmar, then the donors will have to assess whether those changes are conducive to the broad political goals that they have set for themselves (assuming these goals still exist as there has been a plethora of fadism in foreign aid), and provide a framework into which economic reforms may fit. This will be a judgement individual donors will have to make, although they may be influenced through stances taken by the OECD or other international fora. The present outlook seems decidedly mixed.

But if, as previously discussed, political reforms are required before economic reforms can be both meaningful and sustainable, then where do donors begin?

The following plan for donor assistance is based on four premises:

1. There is a primary focus on political issues in Myanmar, as previously discussed, and economic reform is held hostage to these considerations.
2. The SLORC, and perhaps many people in Myanmar both in the military and among the civilian élite, believe their own propaganda over two generations that both foreign powers and the minorities themselves wish to see the break-up of the state. There is considerable historical evidence for this.[11]
3. The minorities have abandoned their earlier positions for independence, and are now prepared to settle for some sort of appropriate autonomy within Myanmar.
4. The SLORC underrates the degree of foreign antipathy to the regime and its policies.

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Myanmar military authorities have indicated, as did those in the previous regime, that they view policy suggestions as interference in the state's internal affairs, and have xenophobically responded to foreign influences of any kind with a vitriolic anti-foreign campaign through the controlled press. Thus, foreign public exhortations for change, human rights, and the redistribution of power might create an internal backlash. That does not mean, however, that external pressures for change are not necessary, but necessity and effectiveness do not necessarily go in tandem. It may well be, and indeed seems likely, that the SLORC generally believes its own pronouncements concerning the potential break-up of the state because of ethnic rebellions, since the three "causes" cited by the SLORC centre on unity of the state and its sovereignty.[12] Yugoslavia and the Soviet Union may be regarded by the SLORC as object lessons to be eschewed, and thus they may even harden their positions concerning the rebellions.

The SLORC has indicated that it is not interested in negotiating with any rebel or opposition groups, and certainly not under foreign auspices. (It seems, however, to have done so with the Wa, Palaung, and Pa-O.)

To solve this deadlock, some action seems necessary, although the question should be asked: what is different now compared to the previous three or four decades that could prompt change? There are, in fact, many changes affecting both parties positively and negatively. The military is far more powerful today, and a new dry-weather offensive seems to have been planned, but the past election has further undermined the legitimacy of the SLORC. The Nobel Peace Prize awarded to Aung San Suu Kyi further diminishes the regime, at least internationally. The "National Coalition Government" provides a new focus for the opposition. And there is a cumulative burden of decades of incessant warfare which has become increasingly difficult to bear by all parties.

A complete military victory by the SLORC seems most unlikely. Complete surrender by the rebels also seems remote. Perhaps it is now time for some intermediary to play a new role, one that would not in itself involve interfering in negotiations. In the first stage, a plan might be devised in which the powers would not be directly involved, but which would have their tacit support, that would provide a framework for internal consultations, reassure the Myanmar state, and in which in the first instance the Myanmar government and the rebels would not have to enter negotiations. Since Myanmar stands astride but apart from regional informal or formal groupings (such as ASEAN), they might not play any useful role, and since the major powers have no apparent influence or are suspect, there may be a function (should it wish to perform it) for ESCAP (Economic and Social Commission for Asia and the Pacific), of which Myanmar is a member.

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The first priority to begin a process of government–opposition discussions might be to eliminate or limit the flotsam of misperceptions as a necessary prelude to negotiations, leaving the most difficult of political issues — the redistribution of power, especially in regard to the minorities — for later. The objective of the preliminary actions would be to set the stage for later negotiations by clarifying the scene, and eliminating some articulated concerns, assuming of course that they are beliefs rather than propaganda ploys.

Under ESCAP's good offices, the group might bring together the five neighbours of Myanmar: India, Bangladesh, China, Laos, and Thailand, all of which are members of that organization, and all of which have previously negotiated border agreements. They might be persuaded to issue a statement guaranteeing the territorial integrity of Myanmar at the approved borders. This, of course, would be the re-ratification of the status quo, and thus be considered as nothing new. Yet reiteration of these borders might indeed be viewed as a new step, and might sufficiently reassure the military that Myanmar as a nation would not be destroyed. The minorities might then indicate that they have no intention of leaving an appropriately structured "Union", deferring to later what this might mean.

This step would not commit any group to anything it might not later approve, but it could be the prelude to a scenario in which the stage was prepared for internal negotiations — in effect, in contemporary usage, a "confidence-building measure". Following such a stage, a constitution might then be devised, negotiated internally within Myanmar without outside influence, that would better satisfy the needs of the minorities for autonomy within some sort of union, and the needs of the Myanmar people (and especially the military) to ensure the solidarity of the state as a whole.

Although full of pitfalls and abounding with questions, this approach might provide a more favourable, face-saving means for all parties to begin a process of reconciliation. Under this proposal, no one has negotiated, foreign powers have not interfered, and face is universally saved. There are a few other foreign options, as will be discussed below. While one is not sanguine about this possibility, it would be a first step. If, in addition, donors were to indicate privately that the successful completion of the various stages leading to an eventual solution could prompt selected and phased economic assistance, this might be an incentive.

The events of the past year or so, however, may make this scenario more difficult. The military may truly believe that they will eliminate the rebels through force alone. They may be extremely troubled by the Yugoslavian national collapse, and that of the Soviet Union. They may not

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wish to negotiate. The rebels may be encouraged by the same events and heartened by the Nobel Peace Prize.

If an economic assistance policy for foreign states towards Myanmar is sought, then it might be appropriate to begin anew, based on some plan along the lines suggested above. If there is substantial progress towards a plan that might lead to a constitution acceptable to the general population and compromises are reached with the minorities, foreign assistance might then be considered. Such assistance, if proffered, should be conditional upon economic and political reforms, modest, phased, and carefully monitored by residential representatives of the multilateral donors, and not through fleeting and hurried missions from headquarters. This should be the case under almost any regime.

In the meantime, however, there is an intermediate issue that has appeared and has been highly controversial — that is, whether donors should now provide planning (such as sector studies) for future, indeterminate lending, or training for the Myanmar people (but not funds).[13]

The arguments run along the following lines: the negative effects are that pressures on the SLORC to reform are diminished, that the SLORC would receive added legitimacy in being offered such assistance even if it had no short-term economic effect, and that foreign donors would have difficulty in assuring that the most appropriate people were trained, or that data for studies were accurate. On the positive side of the balance sheet, if and when conditions again become ripe for foreign assistance, there would be less of a hiatus between planning and the execution of development projects, and thus economic recovery would be speeded.

The debate is legitimate. In its extreme form, it is couched as a dispute between those who determine that no discussions on any issue should take place with the SLORC because such activities are used by them to enhance their legitimacy. Many would say that discussions should instead be held with the "National Coalition Government of the Union of Burma", located in rebel areas along the Thai border and composed of winners of the 27 May 1990 election.

The prudent course for foreign donors, however, is to attempt to provide the external preconditions for internal resolution of their problems, as outlined above, but at the same time to continue the dialogue with the SLORC or other authorities in Yangon, recognizing that there are trade-offs in this approach. The timing of the two efforts might be dovetailed; studies and training might be offered when the process of constitutional negotiations is accepted or started. The immediate gains from such discussions may seem less than the legitimacy a clever government could pull from such discussions, but over the longer term such dialogue could assist positive change. Donors should also be in contact with opposition elements.

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One cannot, however, be sanguine about the results of such an approach. Myanmar is likely to have major, unresolved problems that defy foreign intervention and complicate internal resolution. Foreign assistance has not been, and will not be, a panacea for Myanmar's political or economic ills. Mao Zedong once said that politics were in command. They seem to be in Myanmar, where the relentless attrition of the economic well-being of the populace of all nationalities continues; all seem caught in the net of internal power politics. If foreign assistance is forthcoming without at least a partial resolution of the economic and political issues which are inextricably bound, the results will be less than efficacious. During the past decades, the roles of the foreign powers have not been as constructive as they might have been. The world has now changed, the cold war is over, and tensions are more regional than global. The powers, through appropriate organizations such as the United Nations and its agencies, could begin anew the process of reconciliation by making positive gestures. There is a need to move ahead, even if the process is slow, tedious, and halting, and there will no doubt be blind alleys in the maze of Myanmar.

NOTES

* This article is based on a paper that was presented at a conference on "Burma [Myanmar]: Challenges and Opportunities for the 1990s", at St. Antony's College, Oxford, 13–15 December 1990.

1. This is discussed in David I. Steinberg, *Burma's Road Toward Development: Growth and Ideology under Military Rule* (Boulder: Westview Press, 1981), chapter 3.
2. See David I. Steinberg, "Japanese Economic Assistance to Burma: Aid in the 'Tarenagashi' Manner?" *Crossroads* 5, no. 2 (Northern Illinois University, 1990). See also *Managing Japan's Aid* (Columbia University Press, forthcoming).
3. For a disagreement on the issue of income distribution, see Mya Maung, *The Burma Road to Poverty* (New York: Praeger Publishers, 1991).
4. Elaborate circumlocutions were sometimes made so that Myanmar would not appear to be asking for help from donors.
5. See David I. Steinberg, "The United States and Burma: The Ephemeral Promise of the Private Sector", *Solidarity* (Manila), December 1988.
6. This has been done in John Badgley's chapter, "Remodelling Myanmar", in *Myanmar Dilemmas and Options*, edited by Mya Than and Joseph L.H. Tan (Singapore: Institute of Southeast Asian Studies, 1990).
7. Two banks have recently been formed: the Commercial and Development Bank, Ltd. (associated with the Chamber of Commerce), and the Myanmar

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Citizens Bank, an entity created by a number of joint ventures. Whether they can be independent of the political process is uncertain.

8. Universities only reopened in the first half of 1991 after being closed for three years.
9. Speech on 4 October 1991, reported in Foreign Broadcast Information Service (FBIS), 7 October 1991.
10. For a discussion of this issue, see David I. Steinberg "Myanmar 1991: Military Intransigence", in *Southeast Asian Affairs* (Singapore: Institute of Southeast Asian Studies, forthcoming 1992).
11. To take as examples, the Japanese provision of two of the Shan states to Thailand in World War II, informal British involvement with the Karens in the later 1940s, U.S. involvement with the Kuomintang in the Shan State in the 1950s, foreign Muslim support to the rebels in the Arakan, Thai tacit support to U Nu in the 1970s, as well as the minorities' own earlier statements, some of which included independence, and U.N. trusteeship.
12. See David I. Steinberg, "Myanmar 1991: Military Consolidation".
13. Multilateral donors are bound to continue projects already started or approved, if internal aspects of such projects allow. The UNDP programme is a right of all member states. Bilateral donors have different approaches, ranging from that of the United States, which stopped all projects already approved, to that of the Japanese, which continued approved projects but which did not start new ones.

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Book Reviews

***Cambodia — The 1989 Paris Peace Conference: Background Analysis and Documents*. Compiled and edited by Amitav Acharya, Pierre Lizee, and Sorpong Peou.** Toronto: Centre for International and Strategic Studies, York University, 1991. 592 pp.

In the past thirteen years, three international conferences had been held to find a political solution to end the war in Cambodia, but only one was successful. The first conference, held in Geneva in July 1981, was organized by the United Nations on the urging of the Association of Southeast Asian Nations (ASEAN). It did not achieve any results because it was boycotted by Vietnam, the People's Republic of Kampuchea (PRK), the regime installed by Vietnamese forces in January 1979, and their socialist allies, and India. The second conference was organized by the French Government in response to a call by Prince Norodom Sihanouk, leader of the Cambodian resistance. It was held in Paris from 30 July to 30 August 1989. It too was unsuccessful. The third conference, also held in Paris in October 1991, saw the signing of the Cambodian peace accord by the four Cambodian factions and nineteen countries.

On paper at least, the Cambodian conflict has ended. But at best, it is a fragile peace. To be sure, Vietnam and the PRK were compelled to accept the U.N.-brokered peace accord because of economic difficulties caused by the reduction of Soviet and East European aid. Only the deployment of a large U.N. peace-keeping force inside Cambodia will prevent the peace accord from unravelling. But since the signing of the peace accord on 23 October 1991, there has been a lack of political will on the part of the five permanent members of the U.N. Security Council

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(Permanent Five) to overcome the main problem that is delaying the deployment of U.N. troops to Cambodia, namely, the lack of funds. Should there be a fourth international conference to give the Cambodian peace process a needed push?

Seen in this context, the publication of a book on the 1989 Paris Peace Conference on Cambodia seems out of place. When the three scholars — Amitav, Lizee and Peou — from York University's Centre for International and Strategic Studies embarked on their project to compile such a book, they probably did not envisage that the Cambodian conflict would end so quickly. Indeed, it took the Cambodian factions slightly less than three months — from late June to mid-September — to resolve all their differences and accept the U.N. peace plan as the basis for the final settlement. This "mad rush" — as one Thai English-language newspaper put it — towards peace by the Cambodian factions fuelled speculation that China and Vietnam had reached a secret deal, the so-called "Red solution". At the crucial stages of the negotiations, China and Vietnam did lean on their respective Cambodian clients, to pressurize them to accept the U.N. peace plan. No evidence is available at the moment to suggest that such a deal had indeed been struck by Beijing and Hanoi, which would have required the PRK and the Khmer Rouge to share power, thus doing away with free elections in Cambodia.

While the 1991 conference has overshadowed the 1989 Paris Peace Conference in importance, this book does serve some usefulness for scholars who are interested in studying the Cambodian peace process. It is a useful reference record of a particular phase of the Cambodian peace process. The book contains the opening statements made by the leaders of the four Cambodian factions and the representatives of the countries participating in the conference, as well as the main documents circulated at the various committees that were tasked by the conference to work out solutions to the different aspects of the Cambodian settlement. The editors also included the more important documents of the meetings of the Permanent Five that were held after the suspension of the conference, including the Australian proposal for an interim U.N. administration to run Cambodia, which later formed the basis for the U.N. peace plan.

To help the general reader, the editors have, in the introductory chapter, provided a background article on the conflict, essentially tracing the events that led to the convening of the 1989 peace conference. In the last sub-section of the introductory chapter, under the heading "Could There Be Success In Paris", the editors tried to explain why the Paris Peace Conference had failed. The reasons cited by them were, however, too general to be of any help to the reader trying to understand the causes

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for the failure of the peace conference. Indeed, this is the major weakness of the book. While the reader does not expect a blow-by-blow account of the proceedings at the plenary sessions and at the various committees, having sifted through the speeches and documents the editors should at least have given a flavour of the different positions taken by the various delegations at the conference. The reader will have to plough through the documents himself to get this sense. In journalistic parlance, this book is not "reader-friendly".

One point which was not sufficiently developed in the introductory chapter was the timing of the conference. What were the compelling reasons that led France to convene the conference in July 1989? Two major events had indeed taken place earlier that year which might have prompted Prince Sihanouk to push for such a conference. The first was the visit of the then Soviet President, Mikhail Gorbachev, to Beijing in May, marking the complete normalization of relations between China and the Soviet Union. The Chinese Government had laid down three conditions for normalization of relations with Moscow. These were: Soviet withdrawal from Afghanistan, reduction of Soviet forces along the Sino–Soviet border, and a halt to Soviet support for Vietnam in the Cambodian conflict. That Beijing agreed to normalize relations with Moscow even without the latter acting on the third condition suggests that the Chinese leadership had by early 1989 shifted its priorities, from undermining the Vietnamese position in Cambodia to establishing good relations with Moscow.

The second event was the violent suppression of student demonstrators at Tiananmen Square in June, which resulted in the international isolation of China. Most observers at that time opined that, faced with such a situation, China would not be obstructive in Paris in order not to further strain its relations with the Western countries, particularly the United States. Indeed, unlike the first international conference in 1981, the Chinese delegation was reportedly more co-operative in Paris in 1989.

That the conference still failed to advance the cause of peace in Cambodia indicates that a co-operative China alone would not help bring about a settlement to the Cambodian conflict. Indeed, two years later a confluence of international events helped to pressurize the main protagonists of the conflict, specifically Vietnam and the PRK, to accept the U.N. peace plan. These were: first, the dissolution of COMECON, the Soviet-dominated socialist economic grouping, and the disintegration of the Soviet Union, which further increased the economic hardship faced by Vietnam and the PRK; secondly, the Cambodian factions were concerned that the international community was losing interest in their quarrel, and that there were competing demands for Western aid; thirdly, the

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Permanent Five, emboldened by the success of the Gulf War, were determined to push through their peace plan by putting the economic squeeze on Hanoi and Phnom Penh; fourthly, the United States refused to be pressurized into lifting the trade embargo on Vietnam; and fifthly, Hanoi's calculation that good relations with China was necessary for its own economic survival as well as the survival of the Vietnamese Communist Party. Indeed, both the Chinese and Vietnamese leaderships share the belief that their brand of communism, which is indigenously based compared to that of the East European states, which was imposed by the Soviet Red Army, could stand the test of time.

Clearly, international developments more than the military situation inside Cambodia were the decisive factors in helping to end the thirteen-year-old war in Cambodia. It would, therefore, be useful to compare the circumstances that led to the convening of the failed 1989 Paris Peace Conference and the events that contributed to the Cambodian peace accord in 1991. Such a study may produce useful lessons for resolving other regional conflicts.

Having initiated the publication of the book on the 1989 Paris Peace Conference, it is perhaps incumbent on York University's Centre for International and Strategic Studies to carry through the study of the Cambodian peace process by commissioning a second volume on the 1991 Paris Peace Conference.

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***Unholy Grail: The U.S. and the Wars in Vietnam 1965–68.* By Larry Cable.** Routledge, 25 July 1991. 292 pp.

Historical analyses of the conflicts in Vietnam, and particularly the U.S. calamitous role in that country's struggle for liberation and unification, are all too numerous. Researchers continue to wade through colossal volumes of material which the Washington administrations of Kennedy, Johnson, and Nixon — as well as those before and after — indirectly generated in their failed bid to prevent communist control over the Indochina peninsula. Unlike Hanoi's limited release of information on its thirty years of bitter war against enemies within and without, the United States produced (and continues to produce) a plethora of documentation from

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its eight years of direct conflict and eventual defeat in a distant country. In this specific case, much of the evidence for *Unholy Grail* was drawn from the Lyndon B. Johnson Presidential Archive, which the author has moulded into a damning historical analysis of poor decision-making at the highest level.

Cable's basic thesis is that the U.S. failure in Vietnam during three years of increasing political commitment and military escalation (between 1965 and 1968) was largely a product of poor decision-making in Washington. "Intellectual insolvency" and lack of "moral courage", as well as a host of ill-informed assumptions within the Johnson Administration effectively negated any hope of success for the United States in Vietnam. "Material strength and technological sophistication or human courage and suffering cannot redeem a faulty idea". "A fundamental intellectual failure in conceptualizing the war cannot be redeemed by the courage or blood of men. It cannot be rectified by mere weight of munitions or prowess in the technologies of war." All the military "clout" that the United States possessed had to be unleashed in the right direction to be of any use; Washington was fighting the wrong war, and to some extent, with the wrong opponent.

The author depicts this period of the Vietnam War as it was fought in the minds of Washington's top policy-makers and senior strategists. Not only were the principles behind Washington's policies askew, but also the intelligence data on which it based its military strategies were often ambiguous or contradictory. Cable claims that this "allowed the consumer to choose what best fitted his predilections rather than being forced to accept the interpretation which accurately described the reality on the ground no matter how unpleasant".

In July 1965, when the decision was taken to commit significant numbers of ground troops to Vietnam, the declared aim was "stabilizing South Vietnam to the point that there was no imminent danger of collapse to external invasion or internal subversion". Victory for the United States would be the cessation of Viet Cong and North Vietnamese activity against the Saigon regime, using the trusted American method of "fire-power kills". Non-military means of achieving this end, such as those proposed by the CIA (Central Intelligence Agency) were largely ignored. Indeed, in 1965 the CIA reported that the Viet Cong and the North Vietnamese could withstand greater numbers of U.S. troops into South Vietnam, and there "was little reason to believe that the escalation would prove any more efficacious" in supporting the Saigon regime.

As Cable illustrates, Washington made several major errors of judgement, in typical cold war fashion. Having misread the lessons from earlier popular uprisings and conflicts (most notably Korea), the Johnson

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Administration failed to make a distinction between partisans and insurgents, which "represented a major intellectual error". Washington could not perceive of the Viet Cong as a self-motivated insurgent force. Instead, the Viet Cong was judged to be a subservient partisan force directed by Hanoi, which in turn was following orders from Beijing and Moscow. "By not viewing the Viet Cong as an insurgent force, by not granting the possibility that the guerrillas constituted the armed expression of organic political disaffection, the Administration looked beyond the venue of conflict in search of an enemy." Meanwhile, the prime enemy (at least before 1968) was alive and well in South Vietnam and feeding off the brutally corrupt socio-political structure that the United States was sustaining with arms and aid.

Military strategy was incompatible with the situation in Vietnam, both in terms of application and equipment. Cable cuttingly states, "In common with most armed forces at most times, US ground and air doctrine was oriented toward capitalizing upon perceived strengths rather than upon attempting to identify and exploit weaknesses within the enemy" — an error that certainly could not have been levelled at Hanoi. "The genius of the North Vietnamese theory of victory, seeking enervation of the political will of the United States and South Vietnam through protracted conflict, was that it identified and exploited weaknesses inherent in the target nation". Indeed, Hanoi went one step further, by also turning the U.S. strengths against itself: the heavy bombing of the North helped harden its own populace's will to win; whilst the bloody activities of U.S. troops in the South helped disrupt the political structure, society and outward image of the Saigon regime, and crucially, turned American domestic opinion against the war.

An assumption was also made by the U.S. military that "forces and equipment developed for use in Europe against an armoured, mechanized and nuclear-capable opponent would work equally well against guerrillas in the bush of Asia". Such wishful thinking was partly the product of a deep-seated fear among Washington's policy-makers of the threat posed to the Western world by international communism. The ripple effects created by an American defeat in — or even just a U.S. disengagement from — South Vietnam, were thought to be potentially apocalyptic. "To the President's men . . . the failure to secure a stable and non-communist South Vietnam would open a veritable flood of guerrilla wars of national liberation with endless opportunities for Soviet and Chinese mischief." The stakes being played over a minor, illegitimate Third World state were inflated to immense proportions, at least in the minds of presidential advisors. The United States elevated what had originally been a small-scale anti-colonial conflict for national liberation into the apex of cold war

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hostility. That error, if only of exaggeration, was then compounded by strategic errors into a military and political defeat.

The author stresses that "it is essential that the administration establish a goal toward which all efforts are directed, define success or victory and provide or approve an overall theory of victory. These three elements must be coherent with one another, consistent over time, understood by all subordinate commanders and planners and, most importantly, relevant to the realities which have developed". Put another way, "vague and overly elastic definitions or a 'can do' theory of victory have usually resulted in failure".

In his conclusion, Cable suggests that the U.S. troops stationed in Vietnam were let down by their desk-bound leaders, and that these servicemen's physical courage . . . in the bush of the South and the sky of the North" was betrayed by "failed concepts and theories". Although there were undoubtedly numerous cases of heroism displayed by U.S. troops in Indochina, the poor decision-making of the administration also percolated down to the combat troops "in-country". The war was morally bankrupt at all levels — trickling down from the very top through the command structure — as evidenced by the My Lai atrocity and the excesses of the Phoenix Programme. The U.S. combatants were not defeated in Vietnam despite their own best endeavours; they became part of the same erroneous war machine that measured its success in terms of day-to-day kill ratios.

As if reflecting the vast scale of Washington's military endeavours to defeat Hanoi, the sheer bulk of post-war analyses has created an unwieldy dinosaur of "Vietnam literature" — perceived wisdoms from those who were there and wish to put the record straight, those who were not there and would have done things differently, or those who have a new angle of luxurious hindsight. As with the American war machine in Vietnam, the vast body of this post-war comment and analysis has become a self-sustaining monster divorced from a sense of logic and proportion, delving ever deeper into the minutiae of the conflict.

Unholy Grail initially appears to be a further addition to this massive introspective body of work, focusing almost exclusively on the U.S. side of the war, and with a typically avid regard for the smallest detail. However, an attention to minutiae is essential in a book such as this, and it is economically used to good effect. In addition, Cable's broad conclusions on decision-making in times of crisis are of far wider relevance than just the Vietnam conflict.

The assumptions and herd instincts of a country's leaders at war are potentially dangerous, particularly if the assumptions are ill-judged and the country's firepower is as immense as that of the United States.

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Vietnam suffered the fate of having such awesome firepower unleashed on it by leaders of a superpower who got things wrong from the start.

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***Nation in Arms: The Origins of the People's Army of Vietnam*. By Greg Lockhart.** Sydney: Allen and Unwin, in association with the Asian Studies Association of Australia, 1989. 314 pp.

Perhaps no army of any underdeveloped country enjoys the same prestigious status as that of Vietnam's military. This unique position has been assured by its patriotic struggle against the French and by the now legendary battle at Dien Bien Phu. The People's Army of Vietnam (PAVN) has had its prestige enhanced by its victory over the most powerful army in the West, and by its success in its war with the Chinese-supported Pol Pot regime on its south-western flank and the "bloody nose" it inflicted upon the invading Chinese armies during the Sino-Vietnamese border war in early 1979.

Yet surprisingly, until the appearance of Douglas Pike's *PAVN* in 1986, there has been no book-length study on this subject. There has, nevertheless, been a deluge of books on the Vietnam war. With a few notable exceptions, most of these are examinations of the anguish and frustrations of the American inability to defeat a deadly, omnipresent and invisible foe. While Pike does to a certain extent attempt to focus on the Vietnamese side, his book is essentially within this tradition.

Greg Lockhart's greatest contribution in writing this book is to give us a plausible conceptual foundation for what really is the main-force of the Vietnamese revolution. He shows how the PAVN developed in 1940, not merely as a tool of the communists, but as the military arm of a popular nationalist revolt. Its organization showed the extent to which it became embedded in rural society. This was reflected in its ability to build its main-force units from village self-defence forces. The Viet Minh's victory over the French at Dien Bien Phu was not only a triumph of innovative military strategy but also one of logistical effort and popular mobilization.

Lockhart emphasizes through his use of Vietnamese language sources that Vietnamese nationalism was essentially a product of the early twentieth century and that the emergence of the PAVN was a distinct manifestation

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of a sense of national consciousness that emerged in Vietnam under French rule.

As a consequence of the French conquest, there seemed to be a fundamental rethinking by the intelligentsia of colonial Vietnam on what constitutes political legitimacy. Political legitimacy was no longer defined as the institution of the monarchy but as "the people". Lockhart then emphasizes how this readjustment in political thinking led some to remould the idea of village-based military organization inherited from traditional Vietnam in ways that prefigured the operational methods of the PAVN.

Lockhart stresses that the August Revolution of 1945 was the decisive event of modern Vietnamese history. He argues that this was not, as has sometimes been alleged, simply an opportunistic *coup d'etat* in Hanoi. This uprising in the capital was the culmination of months of preparation by Viet Minh "armed propaganda" teams who rallied support in the provinces for the revolutionary cause through the use of a combination of inspiration and violence. In this critical period, the Viet Minh laid the foundations of a new state power in Vietnam. The failure of the French and later the United States to come to terms with this phenomenon is seen by Lockhart as the root of the "great double-tragedy" that was to follow.

Lockhart's account of the origins of the PAVN could have been more complete had he focused on the perceptions of the peasants on contemporary events in Vietnam rather than depend solely on interpretations of the crises of the monarchy and colonialism from the intelligentsia and the August Revolution through the impressions of Party cadres and military leaders. If such sources are available, a study on the social history of the Vietnamese revolution from this perspective would be fascinating since the perceptions of peasants are quite different from those of the intelligentsia and political leaders.

Nevertheless, with its interesting blend of military, political and cultural history, Lockhart's book is a splendid achievement. Uniquely, he views the rise of the PAVN through Vietnamese eyes. In a situation where the Vietnamese people had no alternative but to fight for their independence, the army played a commanding role in constituting the power of the nation state. Due to its origins, the PAVN epitomized the "nation in arms". Its central role in Vietnamese society continues till today. By being integrated into the Party and the state's administrative and decision-making process, it therefore has a legitimate political role to play. Indeed, as the best organized institution in the state, it has been used by the state to mobilize the population and secure popular commitment to the regime.

In its capacity as the "people's" army, it also contributes manpower and expertise to major projects such as state farms, flood control, harvest and industrial management. Nevertheless, three significant events have

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had a profound effect on reducing the prominence of the PAVN. First, with its economy in near collapse, the Vietnamese Government has been forced to cut spending in many areas, particularly military spending, owing to galloping inflation, shortages and a fall in state revenue. Secondly, the tapering of Soviet military aid has made it necessary to trim down the size of the army. Finally, with the withdrawal of Vietnamese main-force elements from Cambodia in 1989 and the improvement of Vietnam's relations with China and ASEAN, the threats to Vietnamese security is no longer evident.

Regardless of its reduced strength, the PAVN will still continue to remain a formidable military force in the context of Southeast Asia. A successor volume on Vietnamese military history after 1954 will have to re-evaluate the role of the PAVN in a Vietnam dominated more and more by economic rather than military considerations.

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***Singapore: City-State in South-East Asia*. By Philippe Regnier.** Translated by Christopher Hurst. London: Hurst, 1991. 301 pp.

Almost inevitably, any book dealing with Singapore and ASEAN is out of date by the time it is on the market. Regnier's examination of Singapore's economic development is no exception. First published in French in 1987, this edition is an "up-dated" English translation. Although some of the conclusions and prognostications may as a result be incorrect, the book does provide an overview of Singapore's regional economic relationships from 1965, when the city-state attained independence, to the creation of ASEAN in 1967, and until the late 1980s.

Singapore's outlook was hardly promising when it was thrust into independence. This fact has coloured the development of the country ever since. Brigadier General George Yeo put it well: "The psyche of Singapore was deeply affected by the trauma of that unwanted independence. A profound sense of insecurity took over. It was not just the insecurity of being small. It was also the insecurity of being largely Chinese in a largely non-Chinese Southeast Asia". It is precisely this sense of insecurity that moves the ruling People's Action Party to constantly exhort Singaporeans

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to self-discipline, hard work and obedience. This is the background against which Regnier works out his economic analysis. An integration of the two factors, economic and socio-political, would have resulted in a more satisfying book.

The book deals almost entirely with Singapore's relationship with ASEAN in general, and Malaysia and Indonesia in particular. The idea of emporium provides the basis for Regnier's interpretation, which is grounded solidly in official statistics and an extensive bibliography. Singapore's prosperity evolved, he tells us, through a deliberate, structured transformation of its economy from a declining trading entrepôt in the 1960s to a manufacturing workshop. By the early 1980s, Singapore was moving into high-technology industries and advanced services. It involved a "move from quantitative intensive development (in the 1970s) to more qualitative development today" (pp. 231–32). The transformation was made possible by factors which were lacking in Malaysia and Indonesia: an incorrupt and single-minded government; shrewd capable leadership; traditional Chinese respect for hard work and self-discipline; and an urban population in a small area which could be easily controlled. Realizing the need for foreign investment if Singapore was to survive, the PAP geared its strategy towards the provision of a solid political and economic infrastructure which would inspire confidence abroad. Thus was created a package which included a free port, free currency convertability, no exchange controls, tax exemptions, modern port, and communications facilities. The thematic organization of the book is perhaps responsible for Regnier's failure to link clearly the creation of political stability, through a combination of firm social controls and social programmes, dealt with in some twenty pages at the end of the book, with economic prosperity.

Despite an admonition on the first page of the introduction about "the danger of overlooking the lessons of history", the pre-independence history of Singapore is dismissed in twenty-five pages. Thereafter, historical continuity is alluded to only in throw-away lines, such as the remark that conflict between Singapore and Indonesia over trade "is merely a prolongation of the old trade rivalry between the British colonies on the Straits and the exclusive Dutch monopoly based in Java" (p. 170). The first half of the book is concerned with the regional function of the Singapore economy. The second half examines Singapore's political relations within ASEAN.

For Regnier, Singapore's importance is as the dynamic city-centre, the hub of Southeast Asia. It is in this context, he believes, that Singapore's economic success, indeed, its survival, has to be understood. In 1987, he tells us, thirty per cent of Singapore's external trade was with ASEAN (p. 36); nineteen per cent of external trade was with Malaysia

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and Indonesia, as opposed to forty per cent in 1965 (p. 40); up to 1983–84, ASEAN as a whole was Singapore's foremost trading partner. The figures raise some fundamental questions about Regnier's interpretation. Surely, it could be argued, the significance of the figures is that seventy per cent of external trade was with countries outside ASEAN? The figures suggest also that Singapore's dramatic economic growth took off as the country attracted large-scale investment from the United States and Japan. The private sector of Singapore's trade and industry is dominated by foreign and transnational companies whose business is in markets which are external to ASEAN. We might even extend the argument to suggest that it is partly because so much of Singapore's external trade is with countries outside the region, particularly the United States, that the country has been able to survive regional upheavals and threats. Furthermore, we can ask whether or not it is valid to discuss ASEAN as if it were already a coherent economic community, especially when the author singles out Malaysia and Indonesia for analysis, and at a time when these countries are only beginning to experiment with long-term economic co-operation.

The caveat notwithstanding, Regnier does provide a valuable summary of Singapore's recent economic development and of the country's relations with ASEAN. From 1967 through the 1970s, an emphasis on labour-intensive heavy industry (shipyards, construction and petroleum) provided full employment and made the city-state the region's industrial centre as well as the major agent "for capital goods and consumer products exported from the developed world" (p. 55). A shortage of labour for heavy industry actually worked to Singapore's advantage, forcing it to diversify. The country could provide a well-trained work-force and a sophisticated infrastructure which appealed to foreign investors. Consequently, the early 1980s saw the adoption of a high-tech strategy, the priority sectors of which were electronics, information technology, precision engineering, optics, aeronautics, chemicals, pharmaceuticals, telecommunications, and bio-technology. This shift was accompanied by the delocalization of the most labour-intensive sectors, many of which moved to Malaysia and Indonesia. This, Regnier says, is an orientation which will reinforce "the complementarity between Singapore offering state-of-the-art services and techniques and its neighbours — producers of energy, raw materials and manufactured goods" (p. 57). The development of the Johor–Singapore–Riau Growth Triangle and the discussions at the recent ASEAN summit (events too recent to be commented on by Regnier) suggest that he is correct. The re-orientation allowed Singapore to weather the recession of 1985–86 and to make an extraordinary recovery. By 1986, there were 7,500 foreign companies operating in Singapore. They provided fifty-eight per cent of employment and produced eighty-seven per cent of direct exports.

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Singapore's drive for high-tech industrialization, Regnier points out, has several obstacles to surmount. The shortage of highly trained personnel, the limitations of size and a tiny internal market may well be compounded by the long-term ambitions of Singapore's neighbours. But, on this score, Regnier is optimistic. The city-state's secondary role as an emporium is still significant. More importantly, however, the complementarities with Malaysia and Indonesia outweigh the competition. The lack of industrial competitiveness in Indonesia and Malaysia had its origins in those countries' failure to transform their own socio-economic structures rather than in competition from Singapore. Foreign investment in labour-intensive manufacturing in ASEAN has reinforced Singapore's delocalization strategy, bringing benefits all round. The city-state's increasing concentration on services, such as its port and financial facilities, are complementary to the extent that Singapore today functions as a "regional pole for development" (p. 98). Nevertheless, Regnier believes that the prospect of "a common market remains... in the realm of fiction" (p. 175).

Although Regnier says that it is "obvious that such a small state as Singapore will never be able to claim any significant influence on the pattern of world and even regional affairs" (p. 229), the thrust of his analysis suggests just the opposite. Indeed, in the concluding chapters he argues that economic success has made Singapore the lynchpin of ASEAN and that it exerts a regional influence out of all proportion to its size. He shows how Singapore's pragmatic selection of foreign policy issues to concentrate on with a long-term view of Singapore's stability and international standing, has given the city-state a high profile at the United Nations and in regional affairs. If a real settlement is reached over Cambodia, Singaporean initiatives (Tommy Koh's efforts in New York and Washington, for example) will be largely responsible for keeping world attention on the issue.

The economic miracle and Singapore's influence outside its borders have not been the result of physical or economic advantages but are products of a relentlessly driving political machine guided by the philosophy of the "total mobilization" of all areas of society. Although Regnier labels this "the ideology of the permanent struggle" (p. 243), conjuring up a neo-Marxist vision, what he describes is a non-ideological pragmatism which has allowed the PAP to bend with the wind and to change course according its perception of national interest. Part and parcel of the prevailing pragmatism is the concept of "total defence", modelled on the civil–military defence systems of Sweden, Switzerland and Israel. Additionally, Regnier tells us, like other ASEAN countries, power in Singapore is monopolized by a dominant political party with the army playing "a more or less direct

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role... the PAP encourages the involvement of army cadres in politics" (p. 237). Regnier misses the point. Singapore's military leaders are mostly civilians in uniform. That so many political figures and high-ranking civil servants have served in the military is an indication that the PAP is firmly in control of the military, not the other way round. The major example of this is Brigadier-General Lee Hsien Loong, Lee Kuan Yew's son, who may be poised to succeed Goh Chok Tong as Prime Minister. There is in Singapore no military viewpoint which is independent of the PAP's drive for "total mobilization". Hence, unlike some of its ASEAN neighbours, Singapore's government does not operate under military influence, and a military coup is virtually impossible.

In summary, Regnier's book offers a rich collection of statistical data and facts about the development of Singapore's regional economic relations. A thought-provoking introduction of manageable size, it might make a good starting-point for examining the place of a predominantly Chinese society of two million amidst two hundred million Malays.

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ASEAN Economic Co-operation

HANDBOOK

compiled by
Hans Christoph Rieger

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ASEAN ECONOMIC CO-OPERATION:
A Handbook
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This handbook provides basic information on the Association of Southeast Asian Nations (ASEAN), its organization and the various co-operation activities associated with it. The emphasis here is on economic co-operation. Although such information is available in many forms, it is mostly scattered in official documents and various literature on ASEAN. There is, thus, a need to provide the basic information in a handy volume, and this handbook attempts to fill that need.

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